

# *Chief Albert Luthuli Municipality*



*Annual Report  
2012/13*

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## *Vision*

**The transparent, innovative and developmental municipality  
that improves the quality of life of its people**

## *Mission*

**To provide a transparent and accountable government  
by rendering affordable and sustainable services,  
and encouraging economic and social development  
through community participation**

## *Core Values*

**Honesty  
Openness  
Responsiveness  
Nurturing**

## *Key Performance Areas*

**Basic Service Delivery  
Municipal and Institutional Development and Transformation  
Local Economic Development  
Municipal Financial Viability and Management  
Good Governance and Public Participation**

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# ANNUAL REPORT 2012/13

## CHAPTER 1

### MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

#### COMPONENT A

#### MAYOR'S FOREWORD

##### 1.1

I am privileged and honoured to present the Annual Report of the council for year 2012/13 to the 186 000 masses of our people in the Chief Albert Luthuli municipal area.

The year 2012/13 has been marked by both challenges the institution has to deal with and the gains attained in improving service delivery to the entire population of the Chief Albert Luthuli. As a municipality, we are still committed to our vision and mission in becoming transparent and innovative in addressing the legacy of underdevelopment and *apartheid*. We are presenting the annual report mindful of the work done and planned as dictated by the manifesto of the ruling party.

The council has adopted a five year Integrated Development Plan which was reviewed annually to address the immediate and pressing issues faced by entire community of Chief Albert Luthuli Local Municipality. The result of the Census 2011 clearly indicates the improvement done on delivery of basic services to our people. Although the negative growth in population adversely affect the grant disbursement by both National and Provincial spheres, we cannot afford to negate the obligation placed before us.

#### **Achievements**

In spite of the heavy reliance on grants due to the ever-shrinking tax base, we manage to do the following for 2012/13:

- Improved access to electricity to communities that were previously deprived of the service
- Expanded in the provisioning of clean portable water to certain areas of the municipality
- Provided residential sites for communities which are fully serviced
- Partnered with sector department in creating jobs through Extended Public Works Program, Community Works Program and Phez'komkhono
- Provided entrepreneurial development initiative through our infrastructure development and other ventures.
- Provided platform for communities to engage municipality through Izimbizo, newsletter, notices, media statement, website, and general community meetings.
- Increased the social assistance net by registering our communities as indigent for easy access to municipal services.

We need to accelerate with our developmental agenda in a more efficient faster pace in preparation of the forthcoming National and Provincial Elections. The community would judge us by actions taken not plans in hand. While discharging this mammoth responsibility we were distracted by the unfortunate situation at Mayflower our offices and heavy machinery were burnt down due to violent protest. This unfortunate situation will definitely derail us in our path, communities are encouraged to utilise the existing platforms to raised issues peacefully. We are delighted that our Project Management Unit entrusted with discharging our Municipal Infrastructure Grants has not only report 100% expenditure but has also place the municipality in a map by becoming one of the best performing project management unit in the province. Through our partnership with MEGA and other agencies, we are optimistic that our water challenges in certain areas would be addressed permanently.

The revenue enhancement measures undertaken have yielded positive results and more needs to be done. The financial viability of the institution can never to compromise with wasteful and irregular spending and collusion with service providers. As part of the strategies to improve financial management and accountability, all senior managers have been enrolled to meet the minimum competency level as required by National Treasury. We are optimistic that all this efforts will ultimately lead to the attainment of clean audit by 2014.

We are pleading with the entire population of the Chief Albert Luthuli to bear with us, the tide has turned we are going to rise above poverty, unemployment and inequality.

Yours in good and clean governance

**Clr B P Shiba**  
**Honourable Executive Mayor**

# COMPONENT B

## EXECUTIVE SUMMARY

### 1.2 MUNICIPAL MANAGER'S OVERVIEW

After the processes required in terms of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) (the MSA), the Integrated Development Plan (IDP) and Budget of Chief Albert Luthuli Municipality for the 2012/13 financial year were approved for implementation by 1 July 2012.

In order to streamline the implementation of the IDP and Budget, all Heads of Departments signed Performance Agreements with the Municipal Manager; who in turn signed a Performance Agreement with the Executive Mayor. A Service Delivery and Budget Implementation Plan (SDBIP) was developed by each Head of Department and consolidated into one SDBIP document that was presented to the Executive Mayor for monitoring the delivery of services in the Municipality.

The Municipality approved the IDP Process Plan at the end of August 2012 as required by legislation. This was used to develop the 2013/14 IDP, which was used to collect and prioritise community needs and develop an IDP that was approved at the end of May 2013 for implementation.

The approved IDP was sent to the provincial Department of Co-operative Governance and Traditional Affairs (CoGTA) for analysis. The IDP was aligned to the service priorities identified through community participation prior to its approval by Council. Internal structures such as the IDP Representative Forum, IDP Steering Committee, and IDP Task Team scrutinised the IDP before it was approved by Council for implementation.

The Municipality established an internal Project Management Unit (PMU) that was fully resourced to ensure there was proper implementation of all service delivery projects in the Municipality. The PMU performed very well and achieved 100% expenditure on the Municipal Infrastructure Grant and other infrastructure programs.

Our Technical Services, Community Services, Public Safety, and Planning and Economic Development Departments delivered satisfactory electrical, sewerage, roads/streets maintenance, refuse removal, street cleaning and parks maintenance, cemetery, library, traffic safety, licensing, planning, and economic development services to all our communities. During the year under review, the Municipality was able to renovate two community halls, namely Carolina Town Hall and Silobela Community Hall.

This Municipality was one of the municipalities falling under the Comprehensive Rural Development Program (CRDP) and all provincial departments and the Municipality have implemented their CRDP Plans in the Municipality as planned; except for the Human Settlement Department that had to review its housing delivery allocations due to poor performance by the appointed contractors. However, housing delivery has progressed very well and we were confident that all outstanding houses and, eventually the housing backlog, will be dealt with.

The Municipality's financial sustainability was not good as it relied more on grant funding than own generated funds. The Municipality experienced some cash-flow challenges around the end of the financial year (May/June). As a result, various plans had to be made to ensure that there was service delivery. A revenue enhancement strategy had been developed to ensure that, going forward, the Municipality's financial sustainability was improved. The high debtor's book was being addressed and payment levels had improved.

In order to conserve power, the Municipality developed a business plan and submitted it to Department of Energy for funding. The allocated funding was used to replace normal bulbs with energy saving bulbs in all streetlights and buildings. The installation of bulk water and electricity meters was envisaged to take effect soon. Other meters were also in the pipeline to ensure that electricity theft was eliminated.

More than 500 solar geysers were installed in Carolina/Silobela and Elukwatini.

Council reviewed and approved seventeen Human Resource Policies during the year under review. The policies were as a result of a vigorous engagement at the Local Labour Forum, which was a legitimate structure to consult organised labour on matters of mutual interest. Both the political principals and workers were taken on workshop with a view to human resource and financial implications that these policies sought to achieve.

The Municipality also introduced some policies in order to control less non-essential expenditure, for example, the Relocation Policy was amended by abolishing the payment of 7.5% of the salary for relocation to newly recruited staff. The policy change required obtaining of at least three quotations from a service provider to relocate the affected employee to the new working station. The savings there were remarkable. The other policy change related to leave encashment. Employees were encouraged to take their leave, except those whose leave could not be taken due to the critical service they rendered, and if approved by the accounting officer.

Some of the expenses came from expensive study fees; a moratorium was placed on courses and institutions, and only a certain group of employees were recommended, particularly those who were supposed to meet the Minimum Competency Requirements.

The Administration had also developed an action plan to track the implementation of Council resolutions by officials, and such report was tabled to Council meetings bi-monthly for the purpose of playing an oversight role by Council.

The Municipality had no shared services in the true sense; however, that was being explored in ICT and GIS with the Gert Sibande District Municipality. A Memorandum of Understanding for establishing a GIS was signed with the District Municipality.

In order to enhance revenue, the Municipality employed debt collectors and those were only paid a percentage of what they collected; ie they worked on own risk basis - no collection, no payment.



Overall, the Municipality performed well and was able to discharge all its service delivery plans. We were therefore looking forward to improving on the good work done so far!

**V N Mpila**  
**MUNICIPAL MANAGER**

### 1.3. MUNICIPAL POPULATION AND ENVIRONMENTAL OVERVIEW

#### 1.3.1a Background Data

##### Introduction

- According to Stats SA (2011 Census), 186.010 people were recorded, representing 17% of the Gert Sibande District population.
- A negative population growth of -0.9% between 2011 and 2012, while the annualised population growth rate was measured at -0.1% - the only municipal were a with a negative population growth rate.
- The population in the 2007 Community Survey was estimated at 194.088.
- Females represented 53.1% and males 46.9% of the population, of which 97.6% was African.
- Youth up to 34 years represented 72.5% of the population of Chief Albert Luthuli Municipality.
- Number of households 47.705 (3.9 people per household), representing 17.4% of the households in Gert Sibande District Municipality.



Population Details			
'000			
Age	Male	Female	Total
Age: 0 - 4	11.877	11.537	23.414
Age: 5 - 9	11.183	11.153	22.336
Age: 10 - 19	22.997	22.618	45.615
Age: 20 - 29	11.562	13.283	24.845
Age: 30 - 39	8.596	10.363	18.959
Age: 40 - 49	6.365	9.284	15.649
Age: 50 - 59	4.871	7.433	12.304
Age: 60 - 69	3.097	4.444	7.541
Age: 70+	2.313	4.460	6.773

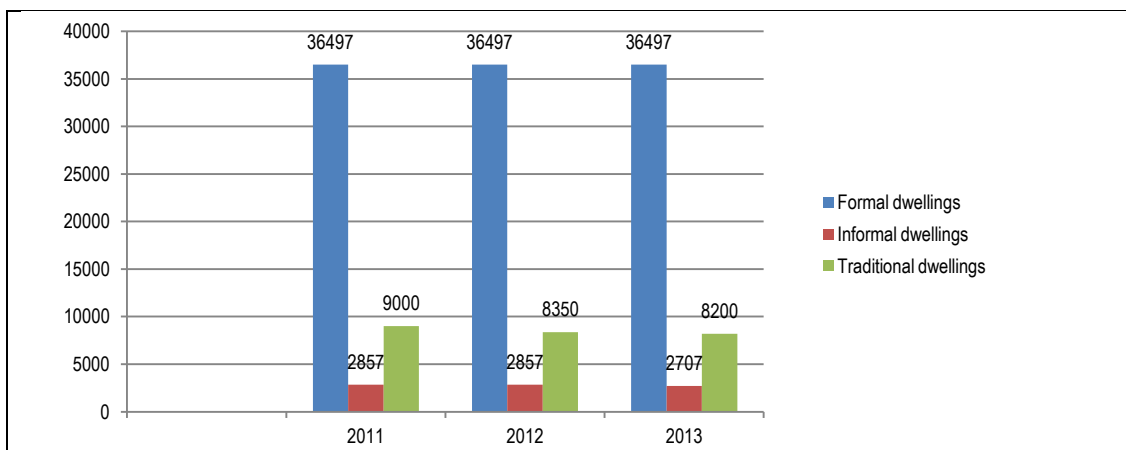
Source: Statistics SA Census 2011

### 1.3.1b Demographic Indicators

Demographic Indicators	StatsSA Census	StatsSA Census	Share of Gert Sibande District figure	Share of Mpumalanga Province figure	Ranking (Highest - 1) (Lowest - 18)
	2001	2011	2011	2011	
Population	187.751	186.010	17.8%	4.6%	9
Households	41.209	47.705	17.4%	4.4%	9
Area (km <sup>2</sup> )	-	5.559km <sup>2</sup>	17.5%	7.3%	4
Population per km <sup>2</sup>	-	35			

Source: Statistics SA Census 2011

### 1.3.1c Households in terms of types of dwellings



The above types of dwellings indicate what the Municipality looked like and also reflect on the economical worth of the people of the Municipality.

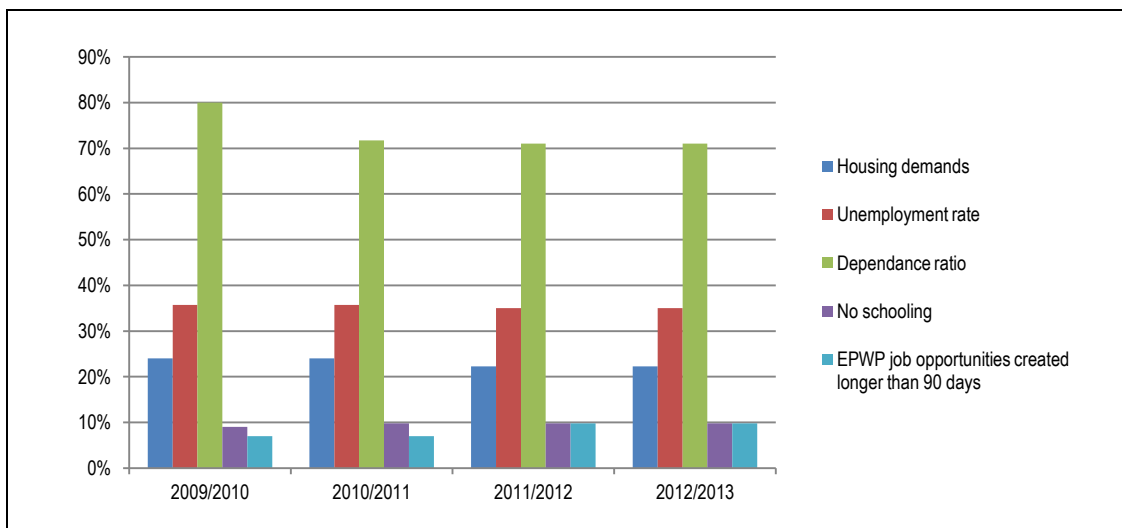
The demands for formal houses, which many rural communities needed in order to eradicate the traditional houses, being mud and sticks houses in the main, totalled 10.851 units. That represented around 22.7% of the total number of households in the Municipality, which were around 47.705 in terms of the 2011 Statistics SA Census.

### 1.3.1d Socio-Economic Status

Year	Housing backlog as proportion of current demand	Unemployment rate	Proportion of households with no income	Proportion of population in low-skilled employment	HIV/AIDS prevalence	Illiterate people older than 14 years
2011/12	22.7%	34%	26%	48%	15%	37%
2012/13	23%	24%	26%	52%	20%	44%

Source: Stats SA Census 2011

### 1.3.1e Economic information of the population



### 1.3.1f Major resources

#### **Background**

The Municipality was endowed with some mineral resources, particularly coal. Most mining operations around mined coal, but the one challenge was that some of those were small mining operations that concentrated on open cast operations, and those had a short life span.

Another challenge was the ability of our communities to be able to participate, mainly because they did not have the requisite skills; that led to most of our people ending up employed as general labourers, and very few were able to meet the skill levels required.

Major Natural Resources	Relevance to Community
1. Coal	Provided employment opportunities through the mining operations that took place
2. Nickel	Provided employment opportunities through the mining operations that took place
3. Gold	No operations took place (Kromdraai)

#### **Comparison of Industries between Chief Albert Luthuli Municipality and neighbouring municipalities in the District**

Industry	Chief Albert Luthuli Municipality	Mkhondo Municipality	Msukaligwa Municipality
Mining	2.8%	21.7%	14.7%
Manufacturing	0.4%	3.0%	10.4%
Utilities	4.8%	1.1%	0.6%
Construction	6.9%	1.4%	8.6%
Trade	7.0%	4.2%	6.7%
Transport	4.7%	7.4%	18.6%
Finance	6.2%	8.0%	28.4%
Community services	15.0%	9.3%	24.7%
Total	5.0%	5.2%	21.3%

### 1.3.2 SERVICE DELIVERY OVERVIEW PERFORMANCE HIGHLIGHTS

#### **Introduction**

The Municipality was responsible for providing basic service delivery in terms of the Constitution of the Republic of South Africa, 1996 (the Constitution) and the MSA, which was water and sanitation, electricity, refuse removal, as well as cemetery and related services to the community. As such, the Municipality was expected to deliver those services in an efficient, economic, and sustainable way; and for that to happen it charged rates to the community that they had to pay for to keep the services sustainable. Payments levels, however, had not been what were expected, but despite facing financial constraints to deliver those services, the Municipality had managed to deliver in all of its 25 wards.

Let me hasten to also mention that the Municipality ensured that it delivered the basic infrastructure services where it was needed, such as the building of new roads, and new electricity, water and sanitation infrastructure, which was done through the Performance Management Unit (PMU). A brief synopsis of what had been done, was provided under each section in the highlights. Those highlights were therefore the Municipality's achievements for the 2012/13 financial year in brief.

#### **Planning**

The Planning and Economic Development Department was responsible for all the planning of the Municipality and the process of planning for the next financial year by August of each year, followed by the IDP process after its submission to and approval by Council; all the reviewing processes, that ultimately led to the birth of the Budget, and SDBIP being compiled. The Budget and SDBIP were compiled and the Budget presented to Council during the month of May of each year.

The Municipality had managed to follow all the process that was required in terms of the law with regard to the IDP. It had also managed to hold its planning sessions, where most of its projects and plans were prioritised before seeing their way into the Budget and SDBIP. The SDBIP was signed by the Executive Mayor, and in essence reflected all the projects and plans planned for the year as reported in Chapter 3, and various strategic development agendas were considered and integrated into.

The Planning Process and all the other requirements in relation to planning were taken into consideration, like the MSA, the MFMA (Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)), the **Development Facilitation Act**, various development plans submitted to the Municipality from various communities for approval in line with the relevant policies and by-laws. However, there were challenges in relation to the public following the building regulations - most housing projects were done without proper approval. A professional senior town planner was recruited, and it was hoped that the issue would be resolved and the Municipality would start generating a revenue with regards to planning.

The Department also did facilitation of houses. The Municipality was chosen as a Comprehensive Rural Development (CRDP) site. A number of housing units were built and a summary would be provided at the end of this section.

### **Local Economic Development**

This Department was also charged with local economic development. As it was the case with many municipalities in the country, there was minimal understanding as to how that could be won, in that it was seen as the only hope to create job opportunities; but a challenge was the sourcing of funding. A sort of expectation from the community arose, whereby the community expected the Department to come up with either funding or projects to stimulate the local economic growth. Be it as it may, the Municipality had developed a LED Strategy, which sought to inspire local economic development. It had also worked with other stakeholders like the mines, the Department of Rural Development and Land Administration and others, as well as private investors who had come up with various good initiatives, but no good results, an example of which was the Badplaas Lemon Project. Mayflower Mall and some of those had done the Municipality pride, a summary of those achievements was as follows:

- 1) Permanent posts were created and filled in the Department - CTRP.
- 2) Jobs were created through outsourced services and construction.
- 3) Business opportunities were created through procurement of various services.
- 4) Blading, regravelling, and road infrastructure was upgraded to attract business development and stimulate economic growth through infrastructure investment.
- 5) Sewer and wastewater infrastructure was maintained to ensure safe environments, and safe environmental return of wastewater to allow economic growth through enabling clean environments for environmental tourism opportunities.
- 6) Labour intensive approaches were used in cleaning storm water drains to avoid flooding of roads.
- 7) Job creation opportunities in the Municipality were created through various programs in the 2012/13 financial year, EPWP 2.587 jobs; CWP 2.632 jobs; NARYSEC 92 jobs; MRTT 92 trainees; Youth in Human Settlement 90 (45 young people in Ward 11 and 18 each were trained by MRTT on artisan skills theory) and they received practical training through the Community Resource Organisations (CRO).
- 8) A total number of 5.359 people were employed on temporal basis by means of job creation opportunities in the Municipality through LED programs.
- 9) A total number of 90 people were employed for various projects in the 2012/13 financial year.
- 10) A total number of 12 Cooperatives/Groups/SMME's were trained.
- 11) The LED Strategy was implemented.
- 12) Various projects were funded by local mines.

It was worth noting that the Comprehensive Rural Development Program (CRDP) was successfully implemented this financial year in two pilot wards of the Municipality, this led every ward of the Municipality stood to benefit from this program of the Department of Agriculture, Rural Development and Land Administration (DARDLA), the Municipality therefore worked in hand in hand with the driving department. Successful implementation of this program in the Municipality would widen the opportunity of the people to get employment from the infrastructure projects, like roads and water. In summary, the section had done the following:

- The Housing Chapter for the 2012/13 IDP was in place.
- Emergency houses, 4 individual houses donated by contractors, 20 houses donated by Exxaro, were built in the 2012/13 financial year; and
- A total of 960 CRDP houses were allocated ward to 11 and 18 (480 houses each); in Ward 11, 155 houses were completed, and 325 were still incomplete; In Ward 18, 434 houses were completed and 46 houses were incomplete.

### **Challenges**

The Municipality had experienced a number of challenges with respect to growing the local economy in terms of successfully establishing active cooperatives, there were a number of cooperative active in the Municipality, but the challenge was to get them working and generating income for themselves. Most of them were not sustainable, if they get whatever funding most of them collapsed. An identified gap was that business management skill was lacking.

The second challenge was that the anchored projects that were identified could not take off, most of them, in particular the lemon project, led to Industrial Development Cooperation withdrawing from funding the project.

The other setback was the non-implementation of development initiatives of the Mayflower Hall by the developer, and it was later learnt that the funders withdrew from that project as well. That had cost the Municipality a fortune, in that the Municipal Offices were burnt down at Mayflower due to that.

The other major challenge was unemployment in the Municipality. Most of the LED projects were not taking off, which contributed negatively in reducing the unemployment and poverty rates.

Having noted that, as it has been reported above, temporal jobs had been created, but the challenge was to sustain them.

## **1.3.2a Infrastructure development and basic service delivery through the Project Management Unit**

### **Basic Service Delivery**

As said above, the Municipality was developing new infrastructure through PMU and also reflected to the fact that it had managed to spend 100% of its MIG allocation by 30 June 2012. The 100% had been achieved in all the major projects that were done, in the main water and sanitation, electricity, and community infrastructure, that was also reported on in the SDBIP reports made in the various projects. The achievements of the department in the 2012/13 financial year include the following:

- Achieved 100% Municipal Infrastructure Grant expenditure by 30 June 2013.
- No reallocation of project funding was requested to facilitate projects expenditure.
- Implementation of the Extended Public Works Program (EPWP) and improved reporting resulted in better incentive grants.
- Successful implementation of electricity, roads, sanitation, and other projects.

### Technical Services

This Department was one of the most critical in the Municipality. It was through this Department that the Municipality brought and maintained most of the Municipality's water and sanitation, fleet and roads. More than forty seven thousand households were serviced (47.705) by the Municipality in one way or the other, and where the Municipality could not bring water through the municipal bulk water supply, alternative means was provided either in the form of boreholes or in the form of water tankers where such was not possible. Due to the fact that the Municipality's water network was ageing, water pipes were bursting time and again and a lot of water losses were experienced. Various programs were introduced:

- a. War on Water Leaks
- b. Optimisation of Elukwatini Water Treatment Works
- c. Support for approval of Water Upgrades business plans
- d. Improvement on the Blue and Green Drop Standards
- e. Carolina Water Quality Crises
- f. Sustainable water provision through the adoption of *some water for all* and not *all water for some*. That included the deep rural communities through tanked water services and rudimentary boreholes.

### Community Services

This Department covered a large range of services to the communities of the Municipality. Such services included waste management; management of dumping sites; tidy sidewalks and gardens; clean streets and open spaces with the assistance of the Community Works Program (CWP), as well as the cleaning of the grounds at community halls; maintenance and cleaning of cemeteries, provision of graves, and new cemeteries; burial of paupers; library services; the handling of HIV/AIDS and sexually transmittable diseases through the distribution of informative literature on the prevention of such diseases; information sessions; support to and development of women, youth and people with disabilities; moral regeneration; community development through culture, sport and recreation; and environmental health matters.

The achievements of the department in the 2012/13 financial year include the following:

- 1) The refuse collection service was extended to 564 additional households
- 2) The construction of a landfill site at Carolina was in progress
- 3) A clean-up campaign was done successfully in Carolina and Silobela with the joint assistance of the CWP
- 3) Library campaigns such as "Walk-to-your-Library" and "Fundza-for-Fun" were conducted successfully throughout the Municipality
- 4) The establishment of a library at Glenmore was approved
- 5) The Department hosted the training of the Local AIDS Council members by the MTN Foundation
- 6) A draft Policy on Women Empowerment was formulated and was awaiting the required processes
- 7) Some Youth Programs of NYDA (National Youth Development Agency), DCSR (Department of Culture, Sport and Recreation), DARDLA (Department of Agriculture, Rural Development and Land Administration) and DoHS (Department of Human Settlement) were supported and coordinated with the local youth
- 8) The celebration of the Provincial Youth Day was hosted at Glenmore.
- 9) Mandela Day was celebrated by various prayer events throughout the Municipality and a major event was held at Embhuleni Hospital where renovations were done; and was attended by the Mpumalanga Premier, high-level delegates of other contributing provincial departments, councillors, officials of the Municipality, and community members.

### Public Safety

This Department was responsible for traffic management and law enforcement; disaster management; fire and rescue services; security services.

- 1) Traffic patrols, management and law enforcement
- 2) Fire and rescue, Elukwatini fire station
- 3) Security services.

#### 1.3.2b Access to basic services

The Municipality was doing well in some of the basic service provision, they showed progress in three important basic services, which was water, electricity, and sanitation. Those three services embraced the Millennium Development Goals, but in contrast to that, was the refuse collection services, which contributed badly to global warming, in that the rate of litter that was not collected posed a challenge to the wellbeing of the people of the Municipality and its environment. That being the case, the Municipality was steadily improving towards resolving that. The reasons that led to such slow improvement were the financial factor as well as the rural nature of the Municipality.

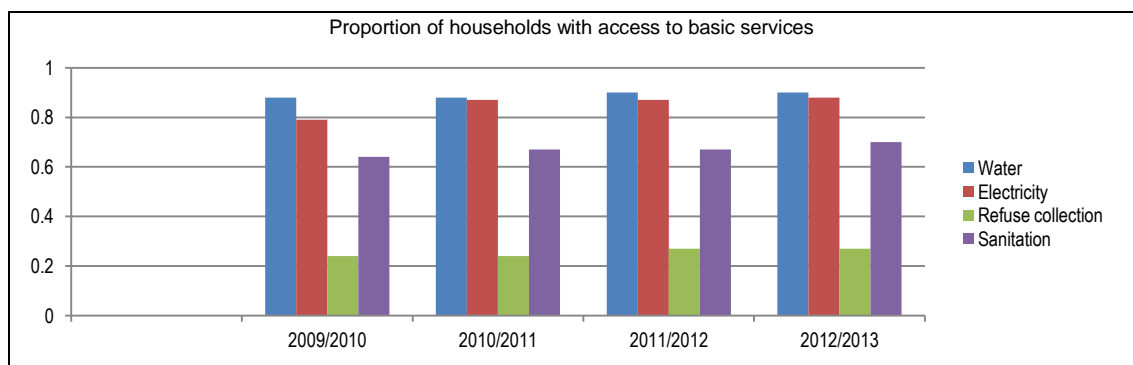


Table : Service delivery indication from 2009 - 2013

Source: Statistics South Africa 2011

### 1.3.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Financial viability was one of the five important Key Performance Areas in local government. The financial health and performance of Chief Albert Luthuli Municipality was continuing to show significant improvement from the previous financial year. The sustainability of the Municipality was dependent on expanding its revenue in relation to costs and its financial viability, whilst implementing its mandate. Low economic growth, high unemployment, low skills levels, and high levels of poverty existed within the Municipality.

Under service delivery, the number of indigent households who benefited on free basic service, especially those who received tokens for electricity.

The payment rate improved to 60% as at 30 June 2013. The desired outcome was achieved through:

- Data cleansing
- Workshopping of Ward Committees on the data cleansing project
- Attending community and business meetings and resolving customer queries
- Handing over of outstanding accounts to appointed debt collectors.

As reported in the previous financial year, the Municipality engaged on a data cleaning exercise with the objective of improving the credibility of the billing database. A number of accounts across the categories of debtors with faults were identified, and the Municipality was in the process of reconciling and correcting the accounts.

The data cleaning exercise had to be extended, and an additional target of 7.221 household visited.

In terms of Schedule 1 and 2 f the MSA, councillors and staff may not owe the Municipality for services such as Rates and Taxes, Electricity and Water, for a period more than three months. Councillors and staff in breach of the Code of Conduct would be disciplined in line with the disciplinary procedures of the Municipality.

Most councillors and staff in arrears had made the necessary arrangements to settle their accounts. In line with the new MPRA (Municipal Property Rates Act, 2004 (Act 6 of 2004)), the Municipality compiled a supplementary valuation roll. The valuation roll was balance with the financial system in June 2013.

The over-arching objective of the Municipality in terms of institutional management was to ensure the effective, efficient and coordinated financial management of all assets under its control took place, in order to increase its revenue and deliver on its mandate. The Municipality had challenges with the completeness of the Asset Register, especially assets that the Municipality controlled, however, the rights were still with Provincial Government. The process to transfer the assets would be finalised before 30 June 2014.

In terms of institutional organisation, the Municipality had achieved a number of substantial successes in the key performance areas (KPA) of assets, financial and human resource management. The Finance Department had filled the post of Chief Financial Officer in June 2013, which was vacant since November 2012, and that would improve the management of the Department.

The Budget for the 2013/14 financial year was approved by Council 90 days before the start of the financial year for consultation, all submitted comments were considered and the final Budget was approved 30 days before the start of the financial year. The in-year reporting in terms of section 71 and section 72 of the MFMA were submitted to National Treasury.

As the Municipality managed to implement its reviewed Supply Chain Management Policy, it gave preference to businesses within the Municipality/region, and local beneficiation was given preference as required by the Policy.

The service providers who were awarded tenders were contributing 1% of the amount tendered for social contribution.

The Municipality has received the audit outcome for 2012/13 financial year, and we managed to develop the audit implementation plan to address issues raised by Auditor-General, though we could not address all the identified issues 100%, but most of the high risk areas we attended to, such as poor document management had been addressed, and was a work in progress. A qualified opinion had been obtained. The Municipality had one qualification on the completeness of the Asset Register.

**Some achievements could be summarised as follows:**

- A stringent approach was implemented where serious disconnection of illegal connections were done to improve revenue collection, and a number of revenue enhancement strategies and initiatives were implemented.
- Jobs were created through maintenance projects to local communities, so that people would have income to pay for municipal services rendered.
- Supply chain processes were utilised properly to ensure transparency, and successful bidders were published on the Municipal Website as required by the MFMA, 2003 and the MSA, 2000.
- As many fleet as possible were repaired and serviced internally to minimise costs.

### 1.3.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

#### **Corporate Services**

This Department consisted of three Sections, namely Administration and Secretarial Services; Legal and Council Support Services; and Human Resource Services. The Department provided administrative support to Council and handled the compilation and distribution of the Executive Committee and Council agendas and minutes, as well as other Council related committees; the correspondence flowing from meetings of those Committees; attended to information and communication needs; and the rental and maintenance of municipal buildings, i.e. community halls and offices.

The Legal and Council Support Services Section handled the legal matters of the Municipality, including the provision of legal advice to the Municipal Manager and Council; the compilation of municipal policies and by-laws and the processes required for the adoption and promulgation thereof; disciplinary actions against staff; litigations; and contract administration.

The Human Resource Section was responsible for human resource matters, which included administrative support to councillors and staff regarding pension fund and medical aid applications, claims for death benefits; and leave administration.

Achievements reached in the financial year under review included the following:

#### **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

- All Ward Committees were functional and fully equipped. Departmental Section 80 Committees were established and were functional.
- The Municipal Performance Audit Committee (PAC) was functional.
- A number of by-laws were submitted to CoGTA for promulgation.
- The Municipal Public Accounts Committee (MPAC) was established and was functional.
- The Performance Management System (PMS) was functional in order to strengthen accountability and promote transparency.
- The 2013/14 IDP document and IDP Process Plan were adopted and approved by Council in time for implementation.
- Over 89% issues raised on the Presidential Hotline were addressed, which was an improvement from 53%.
- Communication about interruption of services took place through notices, hailing, and media briefing.
- Various forms of community engagements and campaigns were held, such as mayoral izimbizo's.
- A Ward Committee Summit was held on the induction, roles and responsibilities, and functionality of Ward Committees.

#### **INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT**

- The long outdated furniture in the Council Committee Room at the Civic Centre was replaced.
- Carolina Town Hall and Silobela Community Hall were renovated.
- The LANWAN, reconfiguration of the communication network were completed and were functional.
- The Municipal Website was fully functional.
- Fencing of the Constituency Office in Silobela was facilitated.
- The existing infrastructure was maintained to postpone huge infrastructure development due to ageing infrastructure.

#### **ECONOMIC AND EFFICIENCY AND VALUE FOR MONEY**

- A Contracts Register developed with a view to monitor performance of services providers to ensure value for money for the services and goods rendered in compliance with signed Service level Agreements.
- A Fleet Management System was installed on all municipal vehicles and was operational with a view to reduce costs on vehicles and plant, the cost benefits would be determined in the next financial year, and all stake holders and users alike were workshopped.

#### **BASIC SERVICE DELIVERY**

- Ensured that all fleet have valid license discs and were in good roadworthy condition to avoid penalties and fines.
- Responded promptly to complaints, including from the Presidential Hotline and Public Protector.
- Hosted and taught school learners about the treatment of the drinking water at the Carolina Water Treatment Works.
- Facilitated the establishment and operation of the Carolina Task Team, a multi-discipline stakeholder group.
- Launched ward committees.
- Constructed kilometres of paved roads through the Project Management Unit in various Wards in the Municipality, for example Slovo ring road, Mayflower at Ward 4 and Ward 7, and other areas in the Municipality.

#### **Challenges**

- High rate of unemployment at 34%.
- Dependency ratio at 28%.
- Very low payments for services by communities.
- Aging infrastructure.
- Dependency on raw water sources, rivers and streams.
- Donga erosion at areas like Mpuluzi.
- Stretches of kilometres of gravel roads.
- Financial constraints.
- Violent service delivery protests.
- Sprawling settlements due.

### **1.3.5 FINANCIAL HEALTH OVERVIEW**

In terms of section 52 of the MFMA, the mayor of a municipality must provide general political guidance over the fiscal and financial affairs of the municipality; in providing such general political guidance, may monitor and, to the extent provided in the Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.

Chief Albert Luthuli Municipality experienced cash flow challenges in February, March, May and June 2013. Based on the financial statements as at 30 June 2012 the Municipality had creditors of R26.389.785, who were paid in the current financial year. The payments of R26.389.785 affected the cash flow for the current financial year, and R15.5 million was borrowed from the Investment Portfolio before end of June 2012. The accruals were not cash-backed and that affected the budget for the 2012/13 financial year. Not all creditors were paid within 30 days after the receipt of an invoice in terms of section 65(2)(e) of the MFMA. The Municipality lost interest on investment due to the withdrawals from the investment.

The revenue collection improved to an average of 94% as at 30 June 2013. Two debt collectors were assisting the Municipality in terms of collection of outstanding debtors. The Municipality conducted data cleansing and visited 7.221 households to ensure accurate billing. New accounts were created through the data cleansing exercise.

### 1.3.5a Financial Overview

Financial Overview 2012/13 R'000			
Income	Original Budget	Adjustment Budget	Actual
Grants	171.064	162.868	268.343
Taxes, Levies and Tariffs	63.205	59.361	60.601
Other	12.475	12.417	32.298
<b>Sub-Total</b>	<b>246.744</b>	<b>234.646</b>	<b>361.242</b>
<b>Less Expenditure</b>	<b>-</b>	<b>-</b>	<b>390.849</b>
<b>Net Total [surplus/(deficit)]</b>	<b>-</b>	<b>-</b>	<b>(29.60)</b>

### 1.3.5b Total Capital Expenditure

Detail	2011/12	2012/13
Original Budget	126.765	132.916
Adjustment Budget	143.416	101.719
Actual	82.673	100 279

### 1.3.5c Total Capital Expenditure 2011/12 to 2012/13

Detail	2011/12	2012/13
Original Budget	126.765	132.916
Adjustment Budget	143.416	101.719
Actual	100 279	100 279

### Challenges

The Municipality faced a number of cash flow problems in the financial year reported on, which was mostly due to the ever-increasing number of debtors, dwindling payments of services, increasing financial commitments of the Municipality, and an increasing number of indigent households and defaulters.

The Budget had to be cut in order to accommodate the creditors of the previous financial year.

### 1.3.6. ORGANISATIONAL DEVELOPMENT OVERVIEW

A number of initiatives were undertaken in this regard, with a view to improve the Municipality's efficiency and operations. Those included the review and realignment of the Municipal Organisational Structure in order to realise the objectives as set in the IDP of the Municipality, as expressed in the Budget and implemented through the SDBIP.

That led to a reconfiguration of some of the Municipal Sections, such as the Performance Management System, which was positioned in the Office of the Municipal Manager, and an additional warm body was added in order to increase its efficiency. Other Sections or Departments were strengthened, such as the Office of the Executive Mayor, in order to improve its effectiveness and capacity; warm bodies were added as well. A Chief Town Planner was recruited to improve the planning ability of the Municipality and to adequately deal with the planning demand requirements of the Municipality.

The ICT Section was also capacitated with additional warm bodies in order to ensure efficiency and effectiveness, though much still needed some attention. A number of connectivity upgrades were done in order to improve intra-communication, to that extent LCD screens were installed to improve communication and information access by the public; the Municipal Website also received attention, and a number of critical documents were posted, such as the Budget, SDBIP, contract agreements, annual and quarterly reports and some other important reports as required by the MSA as well as the MFMA.

Some of the achievements were highlighted below:

- 1) Extension of CRDP to all Wards.
- 2) Finalisation of internet, e-mail and telephone connectivity to ALL Administrative Units.
- 3) Installation of LCD screens in all Administrative Units for communication and transparency.
- 4) Filling of senior vacant positions of Chief Financial Officer and Director: Technical Services.
- 5) Pursuance of ESKOM Assets, ie TED/LET.
- 6) Review and approval of the organisational structure.
- 7) Submission of the WSP and ATR on training of employees.
- 8) Submission of the Employment Equity Plan (EEA) to the Department of Labour.
- 9) Promotion of staff with long services.
- 10) Finalisation of Municipal Website, which was now functional.
- 11) Approved workshops and trainings for managers, councillors and other staff.
- 12) On the job training and coaching.
- 13) Participated and ensured development and implementation of sector development plans.
- 14) Internships - students were allowed to do their practice in the department.



### 1.3.7 AUDITOR-GENERAL REPORT 2012/13

The Audit Strategy and the Engagement Letter were discussed with Management. The process was fair. The Municipality received the Audit Report on 30 November 2013, with only a few matters that were not necessarily considered for the opinion of the Auditor-General, which were the performance information and objectives that were 99 out of 188 that the Municipality did not achieve - a matter that the Municipality must attend to in the future.

The serious issues that were found were highlighted in the Report of the Auditor-General in Chapter 6, particularly Assets, which contributed in leading the Municipality to receive the qualification.

The Municipality developed a programme to deal with the issues raised by the Auditor-General in order to achieve a clean audit in the 2013/14 financial year.

### 1.3.8 STATUTORY ANNUAL REPORT PROCESS

In terms of the Constitution, a municipality must undertake developmentally orientated planning to ensure that it strives to achieve the objects of local government; give effect to its developmental duties and, together with other organs of state, contribute to the progressive realisation of the fundamental rights.

Further, such planning must be aligned with, and complement, the development plans and strategies of other stakeholders, viz other affected municipalities and other organs of state, to give effect to the principles of co-operative government, and participate in national and provincial development programs.

In order to meet the deadline for the submission and approval of the Municipality's draft Budget and IDP in March, the Annual Report Process started in the previous July with the consideration of the 2012/13 financial year's Budget and IDP Process Plan, and the commencement with the implementation and monitoring of the approved Budget and IDP (SDBIP); followed by auditing, assessing, public participation, approval and adoption processes. The SDBIP confirmed relevant legislative content as well as in-year reporting formats (quarterly reports) to ensure that reporting and monitoring fed seamlessly into the Annual Report Process at the end of the Budget and IDP implementation period.

The Annual Report Process ended in March when the draft Budget and IDP for the 2012/13 financial year were commenced, using the Annual Report (including the Municipality's Performance Report of the previous financial year), Oversight Reports and other considerations to inform and build the draft Budget and IDP finalisation for the 2012/13 financial year.

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	August
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> Quarter Report for previous financial year	
4	Submit draft 2012/13 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of Municipality (where relevant)	August
6	Mayor tables the unaudited Annual Report	
97	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor-General	
10	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	
11	Auditor-General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor-General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report was made public and representation was invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report was made public	
18	Oversight report was submitted to relevant provincial Councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

## CHAPTER 2

### GOVERNANCE

#### COMPONENT A

#### POLITICAL AND ADMINISTRATIVE GOVERNANCE

##### Introduction

Section 40 of the Constitution recognises that government was constituted as national, provincial, and local spheres of government that were distinct, interdependent and interrelated. All spheres of government must observe and adhere to the principles in this chapter and must conduct their activities within the parameters that the chapter provides. Section 41 of the Constitution states that all spheres of government and all organs of state must co-operate with one another.

The mandate of Chief Albert Luthuli Municipality was derived from Section 151 of the Constitution, which states that the objects of local government were -

1. To provide democratic and accountable government for local communities;
2. To ensure the provision of services to communities in a sustainable manner;
3. To promote social and economic development;
4. To promote a safe and healthy environment; and
5. To encourage the involvement of communities and community organizations in the matters of local government.

A municipality must strive, within its financial and administrative capacity, to achieve the objects set out above.


##### 2.1 Political Governance

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community.

Chief Albert Luthuli Municipality adopted executive mayor and executive committee governance arrangements. The Municipality was comprised of a Mayoral Committee, and Section 79 and 80 Committees. The Mayoral Committee and Section 80 Committees dealt with the executive part of administration, and the Section 79 Committees were responsible for oversight. The Municipality furthermore had an Audit Committee, as well as a Municipal Public Accounts Committee.

The Municipality established Ward Committees in its 25 Wards with the view to strengthen public participation and entrench democracy. The Ward Committees were fully functional and their role involved, amongst others, to be the ears and eyes of Council at grassroots level. Inputs from the Ward Committees were discussed in Council meetings so that it received the necessary attention.

##### 2.1.1 Top Political Leadership

Functions		
	<b>THE HONOURABLE EXECUTIVE MAYOR</b> Clr Busisiwe Paulina Shiba	To submit the report and recommendations of the Executive Mayor before the Council considers - Any matter mentioned in section 160(2) of the Constitution; To approve an integrated development plan for the Municipality, and any amendment to that plan; and To appoint and set conditions of service of the Municipal Manager and Heads of Department of the Municipality.
	<b>THE HONOURABLE SPEAKER OF COUNCIL</b> Clr Simon Mafika Nkosi	To decide when and where the Municipal Council meets To convene special Council meetings at a place and time set out in a request received in terms of section 29(1) of the Structures Act To authorise an investigation into an alleged breach of the code of conduct for Councillors

<b>Functions</b>		
	<b>THE HONOURABLE COUNCIL WHIP</b> Clr Daniel Pitoli Nkosi	To provide effective, transparent accountable and corporate governance and conduct effective oversight of the affairs of Council Collaborates on a regular basis with the Speaker on issues of conduct of Councillors, Councillor benefits and governance To ensure that Councillors comply with all applicable legislation and code of conduct applicable to local government. To attend Committee Meetings, i.e. whip forum, advisory committee of Council, rules committee. To organise political seminars and inter active sessions with Councillors and political parties represented in Council
	<b>THE HONOURABLE CHAIRPERSON : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)</b> Clr Veli Simon Shabangu	To exercise oversight over executive functionaries of Council and ensures good governance in the Municipality To evaluate the content of the annual report and makes recommendations to Council when adopting an oversight report on the annual report
	<b>THE HONOURABLE MMC : CORPORATE SERVICES AND TECHNICAL SERVICES</b> Clr Matukutela Walter Mngomezulu	To provide overall political leadership and oversight in the department; To monitor the implementation of the Integrated Development Plan; To report regularly to the Executive Mayor. To chair section 80 Committees for the Corporate Services Department and Technical Services Department To assist the Executive Mayor to execute the function in terms of section 80 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)
	<b>THE HONOURABLE MMC : PLANNING AND ECONOMIC DEVELOPMENT SERVICES AND COMMUNITY SERVICES</b> Clr Qondile Gloria Thabethe	To provide overall political leadership and oversight in the department; To monitor the implementation of the Integrated Development Plan; To report regularly to the Executive Mayor. To chair section 80 Committees for Planning and Economic Development Department and Community Services Department To assist the Executive Mayor to execute the function in terms of section 80 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)
	<b>THE HONOURABLE MMC : PUBLIC SAFETY</b> Clr Ntombikayise Maria Mnisi	To provide overall political leadership and oversight in the department; To monitor the implementation of the Integrated Development Plan; To report regularly to the Executive Mayor. To chair section 80 Committees for Public Safety Department To assist the Executive Mayor to execute the function in terms of section 80 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998)

### 2.1.2 Municipal Councillors

The Demarcation Board designated Chief Albert Luthuli Municipality as a municipality with 25 wards and 49 councillors.

The MEC for CoGTA, the Honourable Madala Masuku, designated full-time councillors, being the Executive Mayor, three Members of the Mayoral Committee (MMCs), the Speaker of Council, and the Council Whip. However, a directive was given by CoGTA that the Municipality could only fill three vacancies on the Mayoral Committee. The other would be filled after verifying the Municipality's financial viability.

At the SALGA National Conference held in Durban in 2011, it was resolved that the Chairperson of the Municipal Public Accounts Committee should be designated as a full-time position. That was escalated to the determination of upper limits, and approved as such. The Council of the Municipality then designated the Chairperson of the Municipal Public Accounts Committee as a full-time councillor. The Councillors of the Municipality were as follows:

<b>Councillors</b>		
<b>Councillor</b>	<b>Ward</b>	<b>PR Councillor</b>
Clr R G Vilakazi	1 Diepdale	Clr M H Nkosi
Clr E M Maduna	2 Fernie	Clr N J Nkabinde
Clr N I Mdluli	3 Fernie 3	Clr J Makene
Clr M L Steenkamp	4 Mayflower	Clr V S Shabangu
Clr A Ngubeni	5 Slovo, Dundonald 2	Clr S T Q Malaza
Clr J D Simelane	6 Swallowsnest	Clr T J Motha
Clr K C Mathunjwa	7 Mayflower	Clr Z M Dlodlu
Clr S J Nkosi	8 Hartbeeskop	Clr V V Vilakazi
Clr F N Nkosi	9 Mayflower	Clr D P Nkosi
Clr E B Mkhabela	10 Arnheburg	Clr B P Shiba
Clr P J Soko	11 Glenmore A and B	Clr H J McGinn
Clr A D Nkosi	12 Ekulindeni	Clr N Mnisi
Clr B M Masuku	13 Top Centre Tjakastad	Clr P P Mhlanga
Clr F J Ntuli	14 Longhoms Elukwatini A	Clr N V Makhubelo
Clr S Mdluli	15 Carolina Town	Clr J S Nkosi
Clr N G Thomo	16 Nhlazatshe 1 and 3	Clr N R Cindi
Clr J Vilakazi	17 Badplaas and Town	Clr S M Nkosi
Clr G J Nkosi	18 Phola, Tjakastad	Clr T E Zwane
Clr M J Nkosi	19 Newstand, Mooiplaas	Clr N M Mnisi
Clr J S Mbhele	20 Nhlazatshe 4A and 4B	Clr N M Nkosi
Clr M W Mngomezulu	21 Carolina, Patkamp	Clr Q G Thabethe
Clr F Mthombeni	22 Carolina Crossroads	Clr N B Sikhakhane
Clr E J Lubede	23 Theebom	Clr V L Nkosi
Clr T W Motha	24 Nhlazatshe 5	Clr F D M Phakathi
Clr S Z Nkosi	25 Part of Nhlazatshe 1	Clr N M Nkosi

The functions of the Ward Councillors were as follows:

- Chaired all Ward Committee meetings
- Chaired community meetings
- Represented the community
- Dealt with community needs, the Integrated Development Plan, and Budget. The Proportional Representative Councillors assisted with the above duties.

## 2.1.2 Committee allocations

Ward	Council Members	Fulltime (FT) or Parttime (PT)	Committees Allocated	Party Represented	Percentage of Council Meetings Attendance	Percentage of Apologies for Non-Attendance
1	Clr R G Vilakazi	PT	Community Services	ANC	n/a	n/a
2	Clr M E Maduna	PT		ANC	n/a	n/a
3	Clr N I Mdluli	PT	Public Safety	ANC	n/a	n/a
4	Clr M Steenkamp	PT	Corporate Services	ANC	n/a	n/a
5	Clr A Ngubeni	PT	Public Safety	ANC		
6	Clr J D Simelane	PT	Corporate Services	ANC	n/a	n/a
7	Clr T W Zulu	PT		IFP	n/a	n/a
8	Clr S J Nkosi	PT	Public Safety Rules and Ethics	ANC	n/a	n/a
9	Clr F E Nkosi	PT		ANC	n/a	n/a
10	Clr E B Mkhabela	PT		ANC	n/a	n/a
11	Clr J P Soko	PT	MPAC	ANC	n/a	n/a
12	Clr A D Nkosi	PT	Infrastructure LGNC	ANC	n/a	n/a
13	Clr B M Masuku	PT	Community Services Rules and Ethics	ANC	n/a	n/a
14	Clr F J Ntuli	PT	Public Safety	ANC	n/a	n/a
15	Clr S Mdluli	PT	Deceased	ANC	n/a	n/a
16	Clr N G Thomo	PT	Planning and Development Agriculture	ANC	n/a	n/a
17	Clr J Vilakazi	PT	Infrastructure Technical Services	ANC	n/a	n/a
18	Clr G J Nkosi	PT	Infrastructure Technical Services	ANC	n/a	n/a
19	Clr M J Nkosi	PT		ANC	n/a	n/a
20	Clr J S Mbhele	PT	LGNC	ANC	n/a	n/a
21	Clr M W Mngomezulu	FT	Corporate Services	ANC	n/a	n/a
22	Clr F Mthombeni	PT	Public Safety	ANC	n/a	n/a
23	Clr E J Lubede	PT	Planning and Development Agriculture	ANC	n/a	n/a
24	Clr T W Motha	PT	LLF	ANC	n/a	n/a
25	Clr S Z Nkosi	PT	Finance	ANC	n/a	n/a
PR	Clr N V Makhubelo	PT	Infrastructure	ANC	n/a	n/a
PR	Clr N B Skhakhane	PT	Policies and By-Laws LGNC	ANC	n/a	n/a
PR	Clr J Makene	PT	Community Services MPAC	ANC	n/a	n/a
PR	Clr N R Cindi	PT	Community Services	ANC	n/a	n/a
PR	Clr H J McGinn	PT	Planning and Development Agriculture	DA	n/a	n/a
PR	Clr V V Vilakazi	PT		DA	n/a	n/a
PR	Clr P P Mhlanga	PT	Section 80: Public Safety	ANC	n/a	n/a
PR	Clr V S Shabangu	FT	MPAC	ANC	n/a	n/a
PR	Clr T E Zwane	PT	Finance	DA	n/a	n/a
PR	Clr V L Nkosi	PT	Public Safety LGNC	ANC	n/a	n/a
PR	Clr N J Nkabinde	PT	Finance	ANC	n/a	n/a

<i>Ward</i>	<i>Council Members</i>	<i>Fulltime (FT) or Parttime (PT)</i>	<i>Committees Allocated</i>	<i>Party Represented</i>	<i>Percentage of Council Meetings Attendance</i>	<i>Percentage of Apologies for Non-Attendance</i>
PR	Clr M H Nkosi	PT	MPAC	ANC	n/a	n/a
PR	Clr Z M Dlodlu	PT	Section 80: Technical Services Section 80: Community Services	ANC	n/a	n/a
PR	Clr T J Motha	PT	Section 80: Finance	ANC	n/a	n/a
PR	Clr F D M Phakathi	PT	Section 80: PED Section 80 Community Services	ANC	n/a	n/a
PR	Clr S T Q Malaza	PT	LGNC	Cope	n/a	n/a
PR	Clr B P Shiba	FT	Finance	ANC	n/a	n/a
PR	Clr S M Nkosi	FT	Policies and By-Laws	ANC	n/a	n/a
PR	Clr D P Nkosi	FT	Policies and By-Laws	ANC	n/a	n/a

### 2.1.3 Political decision-making

Matters for decision-making were divided into two categories - those that were delegated to the Executive Mayor, and those that were reserved for Council. Resolutions were clearly marked "D" and "R" respectively; "D"-resolutions were finalised by the Mayoral Committee, whereas "R"-resolutions were finalised by the Council.

### 2.1.4 Attendance at Council meetings

<b>Councillor</b>	<b>Number of Council Meetings</b>	<b>Number of Meetings Attended</b>	<b>Number of Meetings Not Attended</b>	<b>Percentage of Attendance</b>
1. Nkosi SM	11	9	2	82%
2. Shiba BP	11	11		100%
3. Nkosi DP	11	9	2	82%
4. Mngomezulu MW	11	11		100%
5. Thabethe QG	11	11		100%
6. Mnisi NM	11	9	2	82%
7. Shabangu VS	11	11		100%
8. Vilakazi RG	11	7	4	64%
9. Maduna ME	11	10	1	90%
10. Mdluli NI	11	9	2	82%
11. Steenkamp ML	11	11		100%
12. Ngubeni A	11	10	1	90%
13. Simelane JD	11	8	3	73%
14. Zulu TW	NEW	NEW	NEW	NEW
15. Nkosi SJ	11	7	4	64%
16. Nkosi FE	11	10	1	90%
17. Mkhabela EB	11	11		100%
18. Soko JP	11	7	2	64%
19. Nkosi AD	11	11		100%
20. Masuku BM	11	11		100%
21. Ntuli FJ	11	11		100%
22. Shabangu LD	NEW	NEW	NEW	NEW
23. Thomo NG	11	9	2	82%
24. Vilakazi J	11	9	2	82%
25. Nkosi GJ	11	7	4	64%
26. Nkosi MJ	11	8	3	73%
27. Mbhele JS	11	9	2	82%
28. Mthombeni SF	11	11		100%
29. Lubele EJ	11	8	3	73%
30. Motha TW	11	7	4	64%
31. Nkosi SZ	11	10	1	90%

Councillor	Number of Council Meetings	Number of Meetings Attended	Number of Meetings Not Attended	Percentage of Attendance
32. Cindi NR	11	9	2	82%
33. Dlodlu ZM	11	10	1	90%
34. Makene J	11	9	2	82%
35. Makhubelo NV	11	9	2	82%
36. Malaza STQ	11	10	1	90%
37. Mcginn HJ	11	7	4	64%
38. Mhlanga PP	11	10	1	90%
39. Mnisi N	11	11		100%
40. Motha TJ	11	7	4	64%
41. Nkabinde NJ	11	10	1	90%
42. Nkosi JS	11	11		100%
43. Nkosi MH	11	7	4	64%
44. Nkosi NM	11	10	1	90%
45. Nkosi VL	11	11		100%
46. Phakathi FDM	11	11		100%
47. Sikhakhane NB	11	9	2	82%
48. Vilakazi VV	11	10	1	90%
49. Zwane TE	11	9	2	82%

## 2.2 MUNICIPAL GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Council of Chief Albert Luthuli Municipality comprised of the following political parties, namely the African National Congress, Democratic Alliance, National Freedom Party, and COPE. In terms of section 41 of the Constitution, the Administration and Political Office-bearers participated in the various intergovernmental relations structures ranging from the Gert Sibande District Municipality Municipal Managers Forum, Mayors Forum, Speakers Forum, Council Whips Forum, Technical Munmec, Premier Co-ordination Forum, to name but a few.

No significant changes in respect of the composition of Council were recorded during the financial year in question. The meetings of those Intergovernmental Relations Structures were normally convened once per month.

## 2.3 ADMINISTRATIVE GOVERNANCE


In terms of section 60(b) of the MFMA, the municipal manager of a municipality is the accounting officer of the municipality for the purposes of the Act, and must provide guidance on compliance with the Act to political structures, political office bearers, and officials of the municipality, and any entity under the sole or shared control of the municipality.






The Municipality was comprised of six administrative departments, namely Corporate Services, Financial Services, Public Safety, Community Services, Technical Services, and Planning and Economic Development Services. All the Departments were working towards achieving the goals of the Municipality; hence, their day-to-day activities were linked to the Integrated Development Plan.

The IDP on its own is a plan without money; it should be budgeted for in order to be implemented. It is then linked to the Annual Budget in a plan that is called the Service Delivery and Budget Implementation Plan (SDBIP).


Through monthly reports, the Municipal Manager/Audit Committee advised the Council on the compliance with that Plan.

### 2.3.1 Top Administrative Leadership

Functions		
	<b>MUNICIPAL MANAGER</b> Mr Vusumuzi Nelson Mpila	The municipal manager is the accounting officer of the Municipality.
		To exercise the functions and powers assigned to an accounting officer in terms of the MFMA; To provide guidance and advice on compliance with the MFMA to the political structures, political office-bearers and officials of the Municipality; To ensure implementation of the Integrated Development Plan; To provide all administrative responsibilities; Responsible for all human resource matters; financial management; asset management; procurement.

Functions		
	<b>CHIEF FINANCIAL OFFICER</b> Mr Phumuzi Jeremiah Nhlathi Managers in the Department	To take responsibility for the overall administration of the department ; To provide strategic leadership in the Finance Department; To develop and continuously evaluate short and long-term strategic financial objectives; To ensure that internal financial targets and budget were fully consistent with the Municipality's Integrated Development Plan, SDBIP and relevant agreements with other sectors of government
	<b>DIRECTOR: CORPORATE SERVICES</b> Mr Simon Felani Mndebele Managers in the Department	To take responsibility for the overall administration of the department; To provide support at support Council meetings; To co-ordinate and control activities of Administration, Committees, Registry, Legal Services, Human Resources, Occupational Health and Safety To ensure efficient and functioning of the total administration of the Municipality; employment equity and skills development
	<b>DIRECTOR: PUBLIC SAFETY</b> Mr Kokopane Berned Makgopa	To take responsibility for the overall administration of the department; Responsible for Public Safety, registering and licensing of motor vehicles; Fire and Rescue Services; and Disaster Management.
	<b>DIRECTOR: TECHNICAL SERVICES (Acting)</b> Ms Molly Vilakazi	To take responsibility for the overall administration of the department; To manage Electricity, Water, Sanitation, Public Works, Operation and Maintenance; Municipal infrastructure; Fleet Management.
	<b>DIRECTOR: COMMUNITY SERVICES</b> Mr Zeph Fufu Mkhwanazi	To take responsibility for the overall administration of the department; To provide community health services; waste management; youth/women/ people with disability support; To provide sport and recreational facilities; libraries; cemeteries; parks and gardens; environmental health.
	<b>DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT</b> Mr Themba Aaron Lukhele	To take responsibility for the overall administration of the department; Overall strategic planning of the Municipality, local economic development; Integrated Development Plan planning; strategic planning and management;



Functions	
	<p><b>MANAGER :</b> <b>PROJECT MANAGEMENT UNIT</b> Mr Bongile Mdutyulwa</p> <p>To take responsibility for the overall administration of the department. To implement, monitor and report on MIG-funded projects; design and implement all other projects.</p>

## COMPONENT B

### INTERGOVERNMENTAL RELATIONS AND CO-OPERATIVE GOVERNANCE

#### Introduction

In terms of section 3 of the MSA a municipality must exercise its executive and legislative authority within the constitutional system of co-operative governance envisage in section 41 of the Constitution.

Section 41 of the Constitution provides for co-operative governance in the three spheres. At National level, there was the Presidential Co-coordinating Forum and MinMec. At Provincial level, there was the Premier Co-ordinating Forum and the MunMec. At District level, there was the Mayors Forum and Municipal Managers Forum. These structures were designed to

#### 2.4 Intergovernmental Relations

In terms of section 3 of the MSA municipalities must exercise their executive and legislative authority within the constitutional system of co-operative governance as envisaged in section 41 of the Constitution.

The Municipality participated in the following Intergovernmental Relations Structures in furtherance of co-operative governance, namely:

##### 2.4.1 National Intergovernmental Structures

SALGA sat on the National Intergovernmental Structures on behalf of municipalities and engaged on all other policies deliberations, or legislative amendments, proposed bills, or any other matters that concerned the local sphere of governance.

##### 2.4.2 Provincial Intergovernmental Structure

The Executive Mayor and Municipal Manager participated in the Premier Co-ordinating Forum and the MunMec structures.

##### 2.4.3 District Intergovernmental Structures

Gert Sibande District Municipality had an intergovernmental structure named the Gert Sibande District Municipality Municipal Manager's Forum and Executive Mayor Forum.

## PUBLIC PARTICIPATION

#### 2.5 Overview

In terms of section 15(b) of the MSA, a municipality must establish and organise its administration to facilitate a culture of accountability amongst its staff. MSA S15(b) requires a Municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff.

In terms of section 16(i) of the Act, a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance.

In terms of section 18(i)(d), a municipality must supply its community with information concerning municipal governance, management and development.

The Municipality provided quarterly reports and conducted bi-monthly Council meetings, which were attended by members of the public and Ward Committees as well as Community Development Workers from all the 25 Wards of the Municipality, mayoral izimbizo and IDP forums were attended by various stakeholders and communities.

### 2.5.1 Budget Consultative Meetings

At the Budget Consultative Meetings, Ward Committees were tasked to conduct public meetings and submit reports to the Office of the Speaker.

### 2.5.2 Integrated Development Plan Representative Forum Meetings

Ward Committees were represented by at least two members in the IDP Representative Forum meetings.

### 2.5.3 Ward Committee Meetings

Ward Committees reported to the Office of the Speaker. They were required to meet once a month and submit their reports to the Office of the Speaker. Issues raised by them were processed by the Office of the Speaker to the Municipal Manager in order to have the various departments attend to that.

#### Communication, Participation and Forums

In terms of section 18(i)(d) of the MSA, a municipality must supply its community with information concerning municipal governance, management and development.

The Municipality used printed and audio media as a way of communication, for example, people were invited by posting notices on the Municipal Website, at shops and at public places. The Municipality also made use of Radio Ligwalagwala, Kwekwezi FM and Radio Alpha broadcasts to invite people to meetings.

Otherwise the most common method used was loud hailing in areas where a meeting or an imbizo was planned. The community was used to that method of communication.

### 2.5.4 Performance Management Representative Forums / Performance Management Consultative Meeting

The Performance Management System Policy Framework was presented to the Performance Audit Committee in August 2012, where it was recommended that the Policy Framework be resubmitted to Council after some inputs were forwarded later. It was submitted to Council in August 2012 after changes were effected, when it was adopted by Council resolution.

In terms of the MSA, the policy framework must be submitted to the council after consultation with stakeholders as identified in the policy framework. As a result, the 2012/13 PMS Policy Framework was subjected to public participation after it was presented to Council during the 2012/13 Strategic Planning Session, where it was resolved that the PMS Policy Framework be subjected to public participation. That was done in May 2012, which was the beginning of the PMS consultation process in preparation for 2012/13 financial year.

The consultative meeting of the Performance Management System was held at Elukwatini Community Hall where members of all Ward Committees as well as Community Development Workers were present. That meeting was held in order to subject the Performance Management System Policy Framework to public scrutiny prior to the document being presented to Council.

## COMPONENT C

### PUBLIC ACCOUNTABILITY

### 2.5.5 Ward Committees

Public Meetings					
Nature and purpose of meeting	Date of Meeting	Number of participating municipal Councillors	Number of participating municipal officials	Number of community members attending	Dates and manner of feedback given to community
Monthly Ward Committee Meetings	Monthly	25	8	0	Monthly, Feedback to communities through community meetings bi-monthly.
COGTA meeting with Ward Councillors and CDW's	08/08/2012	18	2	0	Monthly, Feedback to communities through community meetings bi-monthly.
Speaker's visit to Ward Committees (Elukwatini)	10/12/2012	5	2	0	Monthly, Feedback to communities through community meetings bi-monthly.
Speaker's visit to Ward Committees (Carolina)	11/01/2013	4	2	0	Monthly, Feedback to communities through community meetings bi-monthly.
Speaker's visit to Ward Committees (Badplaas)	17/01/2013	9	2	0	Monthly, Feedback to communities through community meetings bi-monthly.
LUMS Consultation Meeting	23/02/2013	1	4	68	Monthly, Feedback to communities through community meetings bi-monthly.
Public Education Workshop (Parliament of RSA)	28/02/2013	1	1	48	Monthly, Feedback to communities through community meetings bi-monthly.
Mayoral Imbizo	20/01/7/2012	49	30	1200	Government Programs and IDP/Budget and SDBIP
Mayoral Imbizo	11/10/2012	49	15	200	Government Programs and IDP/Budget and SDBIP
Mayoral Imbizo	14/11/2012	49	30	150	Government Programs and IDP/Budget and SDBIP
Mayoral Imbizo	13/11/2012	49	30	500	Government Programs and IDP/Budget and SDBIP
Mayoral Imbizo	14/04/2013	49	15	200	Government Programs and IDP/Budget and

Public Meetings					
Nature and purpose of meeting	Date of Meeting	Number of participating municipal Councillors	Number of participating municipal officials	Number of community members attending	Dates and manner of feedback given to community
					SDBIP

#### 2.5.6 Effectiveness of public meetings held

The meetings were very effective in that government programs were communicated through public consultation meetings. Members of the public had the opportunity to interact with their leaders, and their inputs were taken into cognizance when the IDP/Budget was finalised.

## COMPONENT D

### CORPORATE GOVERNANCE

#### 2.6.2 Risk Management

##### Risk Management Executive's Report

This report was prepared by risk management as a reflection of the work performed during the 2012/13 financial year ended 30 June 2013.

Its purpose was mainly to provide information on the benefits and effectiveness of the risk management function. In addition, the Annual Report served to inform stakeholders as to what progress the Section had made in the achievement of its objectives.

The report was prepared solely for use within the Section and for distribution to Management, the Municipal Manager, Risk Management Committee, Audit Committee, Council and others within the Municipality.

##### Background

In terms of section 62(1)(c)(i) and (ii) of the MFMA, a municipality must have and maintain an effective, efficient and transparent system of risk management; and further that the municipal manager was responsible for managing the municipality's financial administration. For this purpose the municipal manager must take all responsible steps to ensure, amongst others, that the municipality had and maintained effective, efficient and transparent systems of financial and risk management, and control of internal audit operating in accordance with any prescribed norms and standards.

In order to give effect to the above, the Municipal Manager established the Risk Management Committee, which consisted of the Top Management of the Municipality and an external chairperson. The Committee sat quarterly and sat three times during the 2012/13 financial year ended 30 June 2013.

Risk management was an important aspect of all our lives. The Municipality was exposed to risk both in terms of **threats** to service provision and from the potential of **lost opportunities**. It was essential that the Municipality could demonstrate to its citizens that it was fully considering the implications of risk as it delivered its business for the benefit of the residents of its community.

The risk management process was designed to support councillors and staff in ensuring that the Municipality was able to fully discharge its risk management responsibilities in a consistent manner. The Municipality had a Risk Management Strategy that outlined the objectives, benefits and approach to the process to ensure that risks, both positive and negative, were successfully managed.

Risk management in the Municipality was about improving its ability to deliver outcomes for the community by managing its threats, enhancing its opportunities, and creating an environment that added value to ongoing activities. The Municipality developed a Risk Management Policy, Strategy and Process to guide and ensure that the Section was functioning as intended, and the Municipality had processes in place to mitigate and manage all the risks that would prevent the Municipality to achieve its goals and objectives.

Risk management is a key part of corporate governance. Corporate governance is the way an organisation managed its business, determined strategy and objectives, and went about achieving those objectives. Good risk management would help identify and deal with key corporate risks facing the organisation in the pursuit of its goals and was a key part of good management, not simply a compliance exercise.

The Municipality conducted regular risk assessment and maintained a Risk Register. The following were the top risk areas of the Municipality:

Top 10 Risk Areas						
Risk No	Risk	Impact	Likelihood	Risk Exposure	Control effectiveness	Residual Risk

		Inherent Risk				
1	Inadequate and Unavailability of fire hydrants resulting to the municipality not having control over fire in events of emergencies	5	5	25	20%	25
2	Loss of information	5	5	25	20%	20
3	fraud and corruption	5	5	25	20%	20
4	Inability to retain skilled personnel	5	5	25	20%	20
5	None compliant land fill site	5	5	25	20%	16
6	Insufficient revenue collection	5	5	25	40%	15
7	Inadequate provision and maintenance of road and storm water infrastructure	5	5	25	40%	15
8	Lack of marketing strategy to attract potential investors	5	5	25	40%	15
9	Insufficient coordination of development	5	5	25	40%	15
10	Inadequate purification, provision of quality portable water and maintenance of water infrastructure and sanitation	5	5	25	40%	15

### 2.6.3 Anti-corruption and fraud

#### (1) Strategy

Chief Albert Luthuli Municipality was committed to develop and foster a climate within the Municipality where all employees strived for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of both pro-active and re-active measures at their disposal.

The Municipality had a Fraud Prevention Policy, and the Policy set down the stance of the Municipality to fraud as well as enforcing existing regulations aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft and maladministration where those dishonest acts subsist.

The Policy applied to all fraud, corruption, theft, maladministration or suspected irregularities of similar nature involving the following persons or entities:

- All employees of the Municipality;
  - Councillors, consultants, suppliers, contractors and other providers of goods or service to the Municipality;
  - Communities and other parties receiving benefits from the Municipality; and
  - Employees of donors/clients/stakeholders.
- (a) It was the policy of the Municipality that fraud, corruption, theft, maladministration or any other dishonest activities of a similar nature would not be tolerated. In addition, those would be investigated and followed up by the application of all remedies available within the full extent of the law.
  - (b) Appropriate prevention and detection controls would be applied. Those included the existing controls and checking mechanisms as prescribed in existing policies, procedures and other relevant prescripts to the activities of the Municipality, and systems of internal control.
  - (c) It was the responsibility of every employee of the Municipality to report all incidents of fraud, corruption, theft, maladministration or any other dishonest activities of a similar nature to his/her Manager. If the employee was not comfortable reporting such matters to his/her Manager, he/she should report the matter to his/her Manager's superior, with final recourse to the Chief Financial Officer, Municipal Manager or the Audit Committee. Employees may also report incidents by using the Municipality or the PSC Anti-Fraud and Corruption Hot-line reporting facility, if they wished to remain anonymous or for any other reason.
  - (d) All Managers were responsible for the detection, prevention and the initiation of the investigation of fraud, corruption, theft, maladministration or any dishonest activities of a similar nature, within their areas of responsibility.
  - (e) The Municipality should immediately take appropriate legal recourse to recover losses or damages arising from fraud, corruption, theft or maladministration, provided it was cost effective to do so.
  - (f) The three actions involved for the resolution of fraud and corruption related incidents were delegated as follows:
    - (i) Labour relation related activities: Human Resources with the assistance of Internal Audit;
    - (ii) Criminal prosecutions: Internal Audit and Legal Services in conjunction with Management; and
    - (iii) Civil litigation: Legal Services.
  - (g) Submissions to the Executive Management would only be considered if the Chief Financial Officer had reviewed the proposed program/activity to ensure that the risk implications in terms of the criteria below had been duly considered:
    - (i) Compliance with legislation e.g. MFMA, Municipal Systems Act, etc;
    - (ii) Compliance with internal policies and procedures.

- (h) Internal Audit and the Risk Management Section should be involved with the implementation of programs by:
  - (i) Conducting of risk assessments / process analysis prior to the initiation of the projects in order to identify areas of actual and potential loss, the design and implementation of internal controls to prevent such losses;
  - (ii) The monitoring of compliance to these internal controls during program implementation; and
  - (iii) Performing risk awareness and trainings
- (i) The efficient application of Treasury Regulations instructions contained in the codes, circulars and manuals of the Municipality.

**(2) Responsibility to conduct investigations**

- (a) The responsibility to initiate investigations relating to the actions listed in this Policy resided with the Managers within the Municipality by reporting it to the Municipal Manager.
- (b) Furthermore to ensure that an investigation had been conducted, a monthly report detailing the status of existing and new cases to be handed over to the Municipal Manager. The Municipal Manager was responsible to table at every Audit Committee meeting a list of all fraud cases, including processes undertaken to finalise the investigations.

**(3) Confidentiality**

- (a) All information relating to irregularities that was received and investigated would be treated confidentially. The progression of investigations would be handled in a confidential manner and would not be disclosed or discussed with any other person(s) other than those who had a legitimate right to such information. That was important in order to avoid harming the reputations of suspected persons who were subsequently found innocent of wrongful conduct.
- (b) No person was authorised to supply any information with regard to the issues covered within this Policy to any external person or the media without the express permission of the Municipal Manager.

**(4) Reporting procedures and resolution of reported incidents**

- (a) It was the responsibility of every employee of the Municipality to report all incidents of fraud, corruption, theft, maladministration and other suspected irregularities of this nature to his/her Manager. If the employee was not comfortable reporting such matters to his/her Manager, he/she should report the matter to his/her Manager's superior, with final recourse to the Municipal Manager or Audit and Finance Committee.
- (b) It was the responsibility of Managers to report all incidents of fraud, corruption, theft, maladministration and other suspected irregularities of this nature to the Head: Internal Audit. This reporting should take place as follows:
  - (i) Telephonically immediately after discovery of such an incident;
  - (ii) This telephonic report should be followed by a detailed written report to be submitted within 24 hours of the discovery of such an incident.
- (c) It was the responsibility of the Municipal Manager to ensure that the required investigations were conducted, and to record all reported incidents on a database to ensure that the information was available for measurement and reporting purposes. The Municipal Manager may obtain relevant support in terms of skills and manpower from:
  - (i) Internal Audit;
  - (ii) Finance;
  - (iii) Human Resources; and
  - (iv) External service providers.
- (d) The Managers would submit reports in terms of incidents investigated to the Municipal Manager, and the Audit Committee.

**(5) Application of prevention controls and detection mechanisms**

In all instances where incidents of fraud, corruption, theft, maladministration and other similar irregularities of this nature took place, all Managers were required to immediately review the controls that had been breached in order to prevent similar irregularities from taking place in future, within a period of 48 hours after the occurrence of the initial incident. The Internal Audit Section may be contacted for assistance in this regard.

## 2.7. Supply Chain management

The Municipality revised its Supply Chain Management Policy through the budget process for the 2012/13 financial year. The Finance Department reported the supply chain activities monthly to the Mayoral Committee. All non-compliance was reported to Council and disclosed as such in the Annual Financial Statements.

No Councillors were part of any SCM committee. The Bid Specification, Bid Evaluation and Bid Specification Committees were appointed in writing by the Accounting Officer. All deviations were reported to Council on a monthly basis. The deviations would be disclosed correctly in the Annual Financial Statements.

## 2.8 By-Laws

In terms of section 11(3)(m) of the MSA, provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation. The following draft by-laws were approved by Council, and consultation was done with members of the community. Inputs and comments were taken into consideration when the draft by-laws were approved.

The by-laws were submitted to CoGTA for promulgation, and feedback in this regard was awaited.

Policies and By-laws introduced during 2012/13				
Department	Status	Date	Resolution Number	
<b>CORPORATE SERVICES</b>				
<b>Human Resources:</b>	Bursary policy	Approved	29/09/2012	CL1.265
	Sexual Harassment policy	Approved	29/09/2012	CL1.265
	Smoking policy	Approved	29/09/2012	CL1.265
	Relocation policy	Approved	29/09/2012	CL1.265
	Succession planning policy	Approved	29/09/2012	CL1.265
	Incapacity due to ill-health policy	Approved	29/09/2012	CL1.265
	Training and development policy	Approved	29/09/2012	CL1.265
	Employee Wellness Program	Approved	29/09/2012	CL1.265
	Employment equity	Approved	29/09/2012	CL1.265
	Attendance and Punctuality policy	Approved	29/09/2012	CL1.265
	Employment Practice policy	Approved	29/09/2012	CL1.265
	HIV and AIDS policy	Approved	29/09/2012	CL1.265
	Incapacity due to poor work performance policy	Approved	29/09/2012	CL1.265
	Employees under the influence of intoxicating liquor policy	Approved	29/09/2012	CL1.265
	Occupational health and safety policy	Approved	29/09/2012	CL1.265
	Legal Aid policy	Approved	29/09/2012	CL1.265
	Private work and Declaration of interest	Approved	29/09/2012	CL1.265
<b>Governance:</b>	Anti-Fraud and Prevention of Corruption Plan	Approved	21/07/2010	
	Performance Management Policy	Approved		
	By-laws Standing Orders	Approved	30/06/2003	CL1.072
	Public Participation Policy	Approved	25/11/2003	CL1.116
<b>Information Technology</b>	IT Policy	Approved		
	Disaster Recovery Policy on IT	Approved		
<b>FINANCE</b>				
	Budget Related Policies:	Approved	31/05/2012	CL1.155
	Budget Policy	Approved	31/05/2012	CL1.155
	Tariff policy	Approved	31/05/2012	CL1.155
	Property Rates Policy	Approved	31/05/2012	CL1.155
	Credit Control and Debt Collection Policy	Approved	31/05/2012	CL1.155
	Indigent Policy	Approved	31/05/2012	CL1.155
	Cash Management and Investment policy	Approved	31/05/2012	CL1.155
	Free Basic Services Policy	Approved	31/05/2012	CL1.155
	Supply Chain Management Policy	Approved	31/05/2012	CL1.155
	Funding and Reserves Policy	Approved	31/05/2012	CL1.155
	Water and Electricity Management Policy	Approved	31/05/2012	CL1.155
	Subsistence and Travelling Allowance Policy	Approved	31/05/2012	CL1.155
	Credit Control and Debt Collection By Law	Approved but not gazetted	14/12/2010	
	Property Rates By Law	Approved but not gazetted	14/12/2010	
	Asset Management Policy	Approved but not gazetted	14/12/2010	
<b>COMMUNITY SERVICES</b>				
	Cemetery By Law	Gazetted		
	Library By Law	Not approved; still a draft		
	Integrated Waste Management By Law	Approved but not gazetted		
	Air Pollution By Law	Not approved; still a draft		
	Control on the Selling of Liquor By Law	Not approved; still a draft		
<b>TECHNICAL SERVICES</b>				
	Water Services By Law	Approved but not gazetted		
	Electricity Supply By Law	Approved but not gazetted		
<b>PLANNING AND ECONOMIC DEVELOPMENT</b>				
	Land Invasion By Law	Approved but not gazetted	29/04/2008	
	Street Trading By Law	Approved but not gazetted		
	Stray Animal	Approved but not gazetted		
<b>PUBLIC SAFETY</b>				
	Fire Brigade By Laws	Approved but not gazetted		

## 2.9 Municipal Website - Content and Currency of Material

Documents published on the Municipal Website	Yes / No	Publishing Date
Current annual budget and all budget-related documents	Yes	7 Sep 2012

Documents published on the Municipal Website	Yes / No	Publishing Date
Current adjustment budget and all budget-related documents	Yes	19 Jun 2013
All current budget-related policies	Yes	7 Sep 2012
The previous annual report (2011/12)	Yes	5 Feb 2013
All current performance agreements required in terms of section 57(1)(b) of the MSA and resulting scorecards	Yes	30 Jul 2012
All service delivery agreements (2012/13)	Yes	7 Sep 2012
All supply chain management contracts above a prescribed value (give value) for 2012/13		
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during 2012/13		
Contracts agreed in 2012/13 to which Subsection (1) of Section 33 apply, subject to Subsection (3) of that section		
Public-private partnership agreements referred to in Section 120 made in 2012/13		
All quarterly reports tabled in the Council in terms of Section 52(d) during 2012/13	Yes	Q1 6 Dec 2012 Q2 2 Jul 2013 Q3 2 Jul 2013

## Public Satisfaction on Municipal Services

The municipality never conducted the survey in order to determine the rate of service satisfaction regarding the delivery of service. The municipality in order to get a full understanding in term of service delivery satisfaction will consider commissioning the survey even if it is a min survey.

## CHAPTER 3

### COMPONENT A

#### SERVICE DELIVERY

#### 3. WATER AND SANITATION SERVICES

##### 3.1 WATER SERVICES

###### Introduction

Legislation included the Water Services Act, 1997 and the General Enabling Act, 2005.

Chief Albert Luthuli Municipality is a Water Service Authority. The Water and Sanitation Section was mandated to provide water services as per the Water Services Act, 1997 (Act No 36 of 1997). The Section was further responsible for the operation, maintenance and upgrading of water and sanitation infrastructure; and also for issues related to water quality monitoring.

The Municipality had seven water schemes and three package plants, with a fourth having been completed at Eerstehoek Water Plant in the 2012/13 financial year. The operation and maintenance of the infrastructure was done internally by the technical team, while other major repair and maintenance services were delegated to contracted service providers. The existing infrastructure did not meet the demand of the current population, which led to limited supply to other areas, particularly in Eerstehoek and Empuluzi where water supply was rationed. Package Plants were installed as an intervention at both areas to augment water supply. Reliable, uninterrupted and constant water supply was further affected by power supply outages and breakdowns of equipment.

The Municipality was strongly pursuing compliance with the Blue and Green Drop Certification Program. In the 2012/13 financial year the Municipality developed both the Water Safety and Wastewater Risk Abatement Plans. There was also great improvement on the Boesmanspruit Dam in Carolina, which was highly contaminated. In the 2012/13 assessment year the Municipality achieved 25.44% which was an improvement from the 9.78% achieved in the previous assessment.

The Municipality provided water services to deep rural communities through water tankers, and through electrified rudimentary boreholes and connected to raised tanks, while others were handpumps.

The Water and Sanitation Section, like other Sections in the Technical Services Department, was faced with the challenge of ageing infrastructure, resulting in high water losses and disruptions of water supply.

##### 3.1.1 Water Services - Number of households

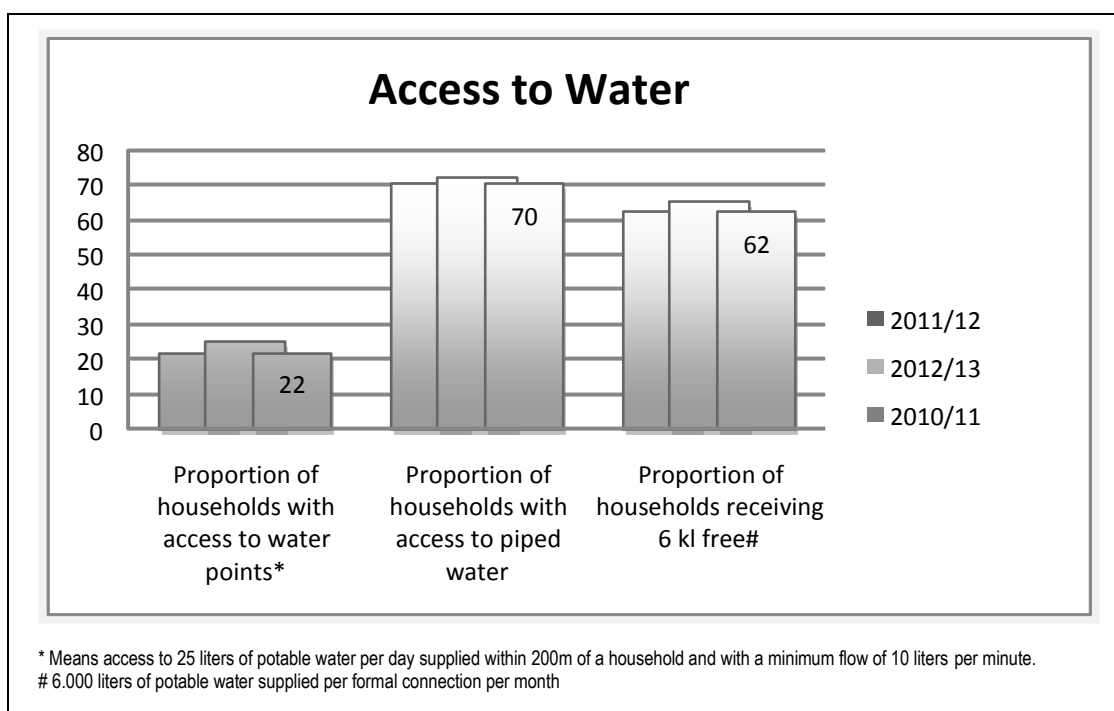
Description	2010/2011	2011/12	2012/13	
	Actual Number	Actual Number	Actual Number	Actual Number
<b>Water: (above minimum level)</b>				
Piped water inside dwelling	70.2%	70.5%	70.6%	71%
Piped water inside yard (but not in dwelling)				
Using public tap (stand pipes )	11.5%	11.2%	11.2%	11 %
Other water supply (within 200m)	18.2%	18.2%	18.2%	18.5%
Minimum Service Level and Above sub-total	0	0	0	0
Minimum Service Level and Above Percentage				
<b>Water: (below minimum level)</b>				
Using public tap (more than 200m from dwelling)	11.2%	11.2%	11.2%	11.2%
Other water supply (more than 200m from dwelling)				
No water supply	18.2 %	18.2%	18.2%	18%
Below Minimum Service Level sub-total				0
Below Minimum Service Level Percentage				
<b>Total number of households (incl informal settlements)</b>	<b>47.706</b>	<b>47.706</b>	<b>47.706</b>	<b>47.706</b>

Source Stats SA 2011



### 3.1.2 Water Services - Number of households with service delivery levels below the minimum

Description	2009/10	2010/11	2011/12	2012/13		
	Actual Number	Actual Number	Actual Number	Original Budget Number	Adjusted Budget Number	Actual Number
<b>Formal Settlements</b>	47.705	47.705	47.705	R11.891.222	R15.501.993	47.705
Total households	47.705	47.705	47.705	R11.891.222	R15.501.993	47.705
Households below minimum service level	n/a	n/a	n/a	n/a	n/a	n/a
Proportion of households below minimum service level	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%
<b>Informal Settlements</b>	2.857	2.857	2.857	Included above	Included above	Included above
Total households	47.705	47.705	47.705	Included above	Included above	Included above
Households below minimum service level	n/a	n/a	n/a	n/a	n/a	n/a
Proportion of households below minimum service level	18.2%	18.2%	18.2%	18.2%	18.2%	18.2%



### 3.1.3 Water Services - Summary of households with access to basic water service delivery

The total number of households that received basic water was about 47.000, which translated to 98%; about 70% received piped water, which translated to 33.394 households, and 29.578 households received free basic water. Those were households who earned less than R1.100 per month, and were situated at Empuluzi, Elukwatini and Ekulindeni.

### 3.1.4 Water Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	10	13	12	1	8%
7 - 9	7	11	7	4	36%
10 - 12	20	43	43	0	0%
13 - 16	36	17	17	0	0%
17 - 18	18	65	63	2	3%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>92</b>	<b>150</b>	<b>143</b>	<b>7</b>	<b>5%</b>

The Department would never have sufficient staff in that the network experienced constant breakages due to the fact that the water infrastructure was ageing; there were constant breakdowns that required a lot of manpower, and the Department was working on skeleton staff.

### 3.1.5 Water Services - Financial Performance

Details	2011/12	2012/13		
	Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue		R11.891.222	R15.501.993	R15.501.993
Expenditure				
Employees		R4.452.838	R4.452.838	R4.452.838
Repairs and Maintenance		R1.872.348	R5.066.948	R5.066.948
Other		R2.371.605	R3.345.756	R3.345.756
Total Operational		R8.696.791	R12.865.542	R12.865.542

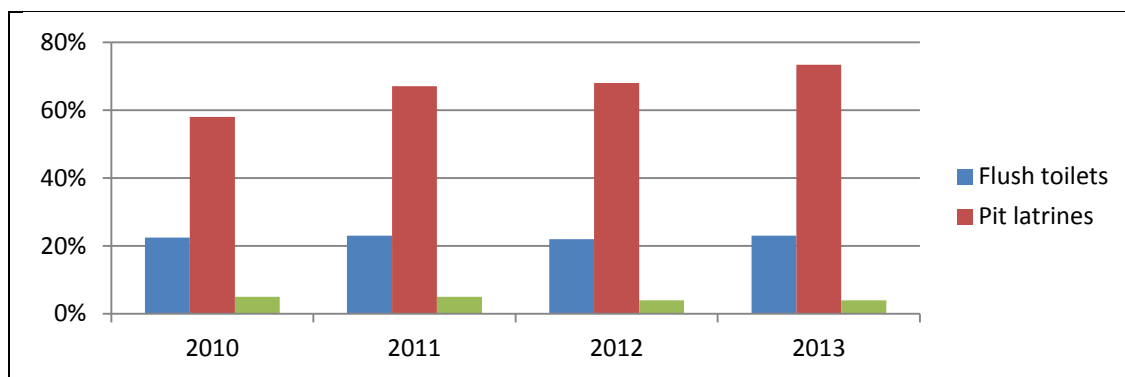
## 3.2 SANITATION SERVICES

### Introduction

The Municipality tried its best to provide sanitation services. The Municipality made provision for VIP toilets, that owed largely to the fact that the Municipality was rural, and also the fact that most of the communities were settled in areas that were not properly formalised as townships, or was difficult to make provision for wastewater removal due to settlements having occupied the areas before planning was done to install some basic infrastructure, like sewer lines.

That left the Municipality with a few options of providing VIP toilets, which was also a challenge in that some were nearing its arrying capacity, while others were full already, which presented the Municipality with the burden of trying to find a solution to the challenge, or trying to get a different mechanism of providing sanitation services.

### 3.2.1 Sanitation Services - Availability of toilets



### 3.2.2 Sanitation Services - Service delivery levels

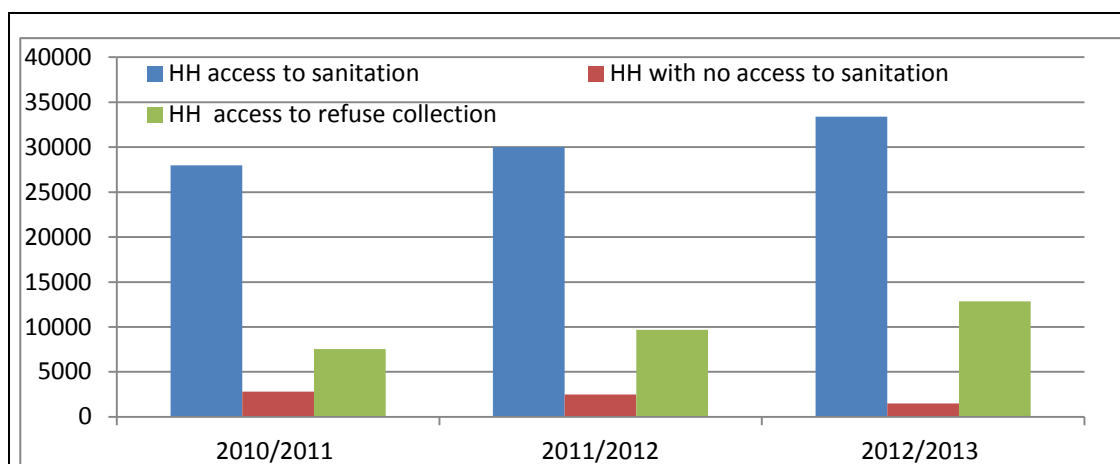
Description	2009/10	2010/11	2011/12	2012/13
	Outcome Number of Households	Outcome Number of Households	Outcome Number of Households	Actual Number of Households
Sanitation/Sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	10.747	10.747	10.997	11.147
Flush toilet (with septic tank)	n/a	n/a	n/a	n/a
Chemical toilet	0	0	0	0
Pit toilet (ventilated )VIP	28.000	3.000	32.796	33.796
Other toilet provision (above in-service level)	0	0	0	0
Sub-Total Households with minimum service level and above	2.325	2.236	1.851	2.178
Percentage Households with minimum service level and above	68.9%	69.9%	70,5%	73.1%
Sanitation/Sewerage (below minimum level)	n/a	n/a	n/a	n/a
Bucket toilet	0	0	0	0
Other toilet provision (below in-service level)	3.476	2.476	2.476	2.000
No toilet provision				
Sub-Total Households below Minimum Service Level				
Total number of households including informal settlements	47.706	47.706		

Source: Stats SA Census 2011

### 3.2.3 Sanitation Services - Number of households with service delivery levels below the minimum

Description	2009/10	2010/11	2012/13	2012/13		
	Actual Number of Households	Actual Number of Households	Actual Number of Households	Original Budget	Adjustment Budget	Actual
Formal Settlements	32.000	36.497	37.327	R7.471.806	R5.110.423	R5.110.423
Total Households	47.705	47.705	47.705	R7.471.806	R5.110.423	R5.110.423
Households below minimum service level	11.208	11.208	11.208	n/a	n/a	n/a
Informal Settlements	2.497	2497	2.857	n/a	n/a	n/a
Total Households	47.705	47.705	47.705	n/a	n/a	n/a
Households below minimum service level	11.208	11.208	10.972	n/a	n/a	n/a
Proportion of households below minimum service level	23.49%	23.49%	22.99 %	n/a	n/a	n/a

### 3.2.4 Sanitation Services - Number of households with access to sanitation



Source: Stats SA Census 2011

### 3.2.5 Sanitation Services - Summary of households with access to basic sanitation

The Municipality provided basic sanitation to 34.000 households, which translated to 71% that accessed basic sanitation services through VIP Toilets, whilst 23% received sanitation through flush toilets, which accounted to 10.972 households.

**WATER AND SANITATION SERVICES**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
	KPA 1: BASIC SERVICE DELIVERY AND MAINTENANCE										
Maintenance of existing Water and Sewer Infrastructure	Maintain at least 30 km each water and sewer distribution network	Fully functional infrastructure	Improved level of assurance	R1 349 600 Water 0640/3805/0000 Sanitation 0650/3805/000	Total kilometers sewer and water network	Maintained Water network: 167km Sewer network: 56km	Water network: 32km Sewer network: 30km	Maintained Water network: 40km Sewer network: 3.8km	Financial constraints 90% of all pipe breaks were fixed within 24 hours	2013/14 budget	Reports to council
Maintain existing Water and Sewer Infrastructure	Clean reservoirs	12	Low turbidity	Internal staff	12 reservoirs		12 reservoirs	1 reservoir	Financial constraints	Improve budget	2013/14 Budget
	Maintain sewer ponds	Hygienic ponds meeting standard of green drop	Number of times services was conducted hygienic ponds approved by DWA	R750 000 0650/3805/0000	16 sewer ponds Low Green Drop rating	No report	16 ponds Improved Green Drop rating	None	Insufficient Budget	Allocate sufficient budget in the next financial year	2012/13 Budget
	Maintain pumps and motors	Fully functional pumps	Uninterrupted services	R2 900 000 0640/3817/000	Maintained and repaired all pumps, 16 booster pumps and motors	17 water pumps 7 sewer pumps 2 motors	63 pumps and motors	Maintained 23 water pumps 5 sewer pumps	This was a reactive maintenance activity. Only pumps and motors that required to be maintained were attended to.	Implement preventative maintenance program	Budget 2013/14
	Maintain dosing systems	Fully functional infrastructure	Meeting set water quality standards	R200 000 0640/3817/0000	Updated Blue Drop System Low Blue Drop rating	Dosing systems Repaired 4 Serviced 1 Maintained 1 Installed 5 new (chlorine and floc)	12 dosing systems; improved Blue Drop rating and improved water quality	12 dosing systems maintained as and when required	None	None	Reports to council
	Maintain boreholes	Fully functional infrastructure	Access to water services	R200 000 0640/3805/0000	48 boreholes	Maintained 32 boreholes and 7 hand pumps	48 boreholes	Maintained 5 boreholes	Insufficient budget	Allocate sufficient budget in the next financial year	Reports to council
	Improve water quality	Compliance with blue drop and green drop status	Informed on water quality	R318 000 0640/4407/000	288 samples analysed	260 samples	288	312 samples	Improved testing	Improved testing	Reports to council
	Water supply through water trucks	Availability of water	Total liters of water supplied in remote areas	R5 200 000 0640/4237/0000	31200 loads	149.48 megaliters	24960 loads by contractor tankers	92.8 megaliters by contractor tankers	Breakdown of tankers	Vehicles repaired	Reports to council
						14.4 megaliters	6240 loads by municipal trucks	30.1 megaliters by municipal trucks			
Provide water connections to households	New to be completed within 36 hours upon presentation of proof of payment	Number of connections completed	Collect from new connection tariffs	Serviced communities and adherence to Water Services Act	Completed 42 water connections 8 sewer connections	As and when new connection requests were received	Completed 37 water connections 5 sewer connections	None	None	Reports to council Job cards	
Spot all illegal water connections and enforce bylaws	Number of illegal connections found and attended	Reduction in illegal connections	None	0	Issued 2 fines for meter bypassing	As and when illegal connections were identified	Found and addressed 10 illegal connections	n/a	Implementation of by-law	Reports to council	

### 3.3 ELECTRICITY SERVICES

#### Introduction

Legislation included the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act, 2006.

The Municipality was licensed to distribute electricity in Carolina, Silobela and part of Badplaas. Other areas within the jurisdiction of the Municipality were licensed to Eskom. The Electricity Section was responsible for providing and maintaining electricity to all households in its licensed areas, maintaining and upgrading existing electricity infrastructure including streetlights, high-mast lights, network, and substations.

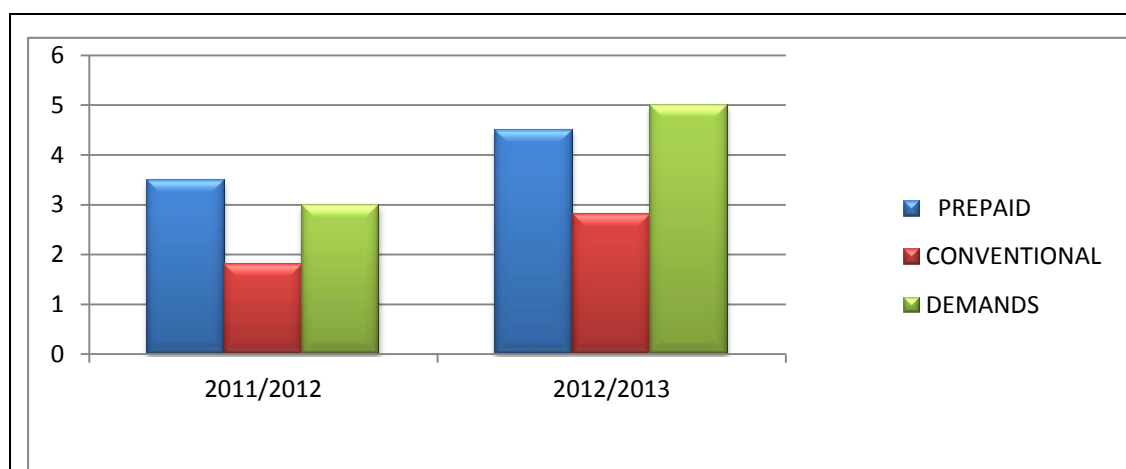
Due to limited capacity, a service provider was appointed to assist with major repair and maintenance work.

During the 2012/13 financial year, the Section achieved the following:

1. Refurbished and upgraded Silobela substation.
2. Fenced main substations, mini-sub, transformers and all other equipment where access must be authorised in order to comply with NERSA requirements.
3. Ensured compliance with Eskom regulations and requirements.

However, it should be noted with great concern that the section was faced with some challenges, namely:

1. Ageing infrastructure
2. Vandalism and theft of infrastructure
3. Illegal connections, which included tampering with electricity meters resulting in huge electricity losses.



#### 3.3.1 Electricity Services - Summary of households with access to basic electricity

The total number of 18.424 registered indigents, and 700 households benefited from new connections. This represented 43% of the total households.

This highest number of indigent people registered is a result of high unemployment rate, and the fact that the Municipality is basically a rural municipality, there were fewer job opportunities and most people depended on grants.

#### 3.3.2 Electricity Services - Service delivery levels (households)

Description	2009/10	2010/11	2011/12	2012/13
	Actual Number of Households	Actual Number of Households	Actual Number of Households	Actual Number of Households
<b>Energy: (above minimum level)</b>				
Electricity (at least minimum service level)	86%	87%	87%	88%
Electricity - Prepaid (minimum service level)	n/a	n/a	n/a	n/a
<b>Sub-Total Households with minimum service level and above</b>	86%	87%	87%	88%
<b>Percentage Households with minimum service level and above</b>	86%	87%	87%	88%
<b>Energy (below minimum level)</b>	n/a	n/a	n/a	n/a
Electricity (below minimum service level)	0	0	0	0
Electricity - Prepaid (below minimum service level)	0	0	0	0
Other energy sources	0	0	0	0
<b>Sub-Total Households below minimum service level</b>	0	0	0	0
<b>Percentage Households below minimum service level</b>	n/a	n/a	n/a	n/a
<b>Total number of households</b>	47.705	47.705	47.705	47.705

**ELECTRICITY SERVICE**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
ELECTRICITY INFRASTRUCTURE											
Upgrade, refurbish and maintain existing electricity infrastructure	Repair and maintain fencing of all electricity infrastructures	Quality and safe infrastructure	Secure infrastructure and safe community	R130.000 <i>0630/3801/0000</i> <i>0630/6015/000</i>	0	None	Safeguarded infrastructure	Fenced substations using 135m palisade fencing	None	n/a	Report to council
	Repair and maintenance of street and highmast lights	Satisfying functionality of lights	Number of times street lights and high mast lights were maintained	R650.000 <i>0630/3827/0000</i>	659 street lights 41 highmast lights	Repaired and maintained 200 street lights and 40 highmast lights	659 street lights 41 highmast lights	Repair and maintained 290 street lights and 35 highmast lights	Repairs and maintenance was done when required (reactive basis)	Implement preventative maintenance program	Report to council
	Electrical network repair and maintenance	Safe functioning network	Kilometers network maintained	R1 000 000 <i>0630/3805/0000</i> <i>0630/6015/000</i>	4km	Stringed 1224m cable, installed 7 stay assemblies, 14 terminations Repaired 320m of ABC line, 3 cable faults Installed bundle conductor Replaced conductor; 3 poles decomposing and 1 high voltage pole Commissioned 1 sub-station Completed 7 connections	At least 2.5km network lines maintained	Maintained 2.5km network lines plus 31 network lines			Report to council
	Maintain electrical panels at substations	Effective and efficient power supply	Number of panels maintained	R1 000 000 <i>0630/6015/0000</i>	16	Routinely inspected and maintained 18 substations - checked oil, loose connections and silica gel	16	Maintained 16 panels	None	n/a	Report to council
	Maintain lights and other accessories in municipal buildings, switches, lights, plugs	Fully functional and safe use of electrical accessories	Number of times maintenance was completed	R300.000 <i>0630/3801/0000</i> <i>0630/6015/000</i>	Once a month and occasional replacements when needed	Fixed lights and plugs at several municipal office buildings Installed surge arrestors / lighting protectors at booster pumps	Monthly and occasionally when needed	Maintained electrical accessories at 10 municipal buildings 100% functionality of electrical accessories	Maintained at minimal due to awaiting delivery of electrical material	Improved planning	Report to council
	Maintain standby generators	Functionality of standby generators	Serviced standby generators	R100.000 <i>0630/3801/0000</i> <i>0630/6015/0000</i>	2	Maintained 1 standby generator; 1 generator not	2	Inspected 1 standby generator weekly and maintained after 160 hour usage	Maintained the other standby generator in the	n/a	Report to council

Priority Area	Strategic Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
						maintained			previous financial year		
	Maintain Ring Main Units (RMUs)	Fully functional and safe infrastructure	Number of Ring Main Units maintained	R100.000 <i>0630/3801/0000</i> <i>0630/6015/000</i>	24	Maintained 24 RMUs	24	Maintained 24 RMUs - fully functional	None	n/a	Report to council
	Maintain and replace kiosks	Fully functional and safe infrastructure	Number of kiosks maintained or replaced	R200.000 <i>0630/3801/0000</i> <i>0630/6015/000</i>	8	Maintained 8 kiosks Attended 406 household complaints	8	Repaired 8 kiosks At least 24 kiosks functional	None	n/a	Report to council
	Identify all illegal connections and enforce by-laws	Reduction in illegal connections	Number of illegal connections identified		Number of illegal connections found and addressed	53 illegal connections	Reduce illegal connections by 70%	Reduced illegal connections by 70%	None	n/a	Report to council
	Provide meter connections to households	All households metered	Number of connections completed	Tariffs	Connect new households		At least 60 connections completed	Per request as and when applications for new household connections were received	None	n/a	Report to council

## COMPONENT B

### PUBLIC WORKS, ROADS AND STORMWATER SERVICES

#### 3.4 ROADS AND STORMWATER INFRASTRUCTURE

##### Introduction

The Public Works Section was responsible for maintenance and upgrading of existing roads (gravel and paved), bridges, and stormwater drainage in the 25 Wards of the Municipality. The maintenance involved activities such as blading, patching of potholes, construction of concrete water channels, laying of kerbs, and re-graveling. The Municipality had a backlog in terms of upgrading gravel roads to paved roads. The total length of gravel roads was ± 900km and most of those gravel roads were not in a good condition; some were bladed to pipeline and some were eroded due to heavy rainfall. About 50% of gravel roads were based in the rural part of the Municipality.

The Municipality appointed service providers to perform a 1km re-graveling in 12 identified Wards in trying to reduce the backlog that the Municipality has. On the mountainous gravel roads the Section overlayed the boulders with concrete paving. During the 2012/13 financial year the Section cast 22m<sup>2</sup> at Khuphukani.

The Section spent 99.6% of the EPWP incentive grant on construction of water channels at Elukwatini, and unblocking of most silted stormwater pipes in the entire Municipality. That project created more than 100 jobs opportunities. A total of 4.2km gravel roads were upgraded to paved roads.

The main challenge of the Section was the unavailability of a roads and stormwater master plan, that would assist the Section in terms of quantification of backlogs, the status of roads, and possible solutions for challenges. Ageing of road infrastructure was one of the challenges faced by the Municipality. The Section spent R1.000.000 on the repair of potholes within the Municipality. For the 2012/13 financial year the Section attended to Ngodlomezi Bridge that was washed away by storms.

##### 3.4.1 Roads and Stormwater Infrastructure - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0 - 3	1	1	1	0	0%
4 - 6	4	5	4	1	20%
7 - 9	1	1	1	0	0%
10 - 12	7	7	7	0	0%
13 - 15	0	0	0	0	0%
16 - 18	10	14	14	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>23</b>	<b>28</b>	<b>27</b>	<b>1</b>	<b>4%</b>

##### 3.4.2 Roads and Stormwater Infrastructure - Financial Performance

Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	n/a	R14.456.912	R13.541.912	n/a	n/a
<b>Expenditure:</b>					
Employees	n/a	R 4.382.233	R 4.282.233	n/a	n/a
Repairs and Maintenance	n/a	R 7.189.000	R 7.189.000	n/a	n/a
Other	n/a	R 685.679	R 670.679	n/a	n/a
<b>Total Operational Expenditure</b>	n/a	R12.256.912	R12.141.912	n/a	n/a
<b>Net Operational Expenditure</b>	n/a			n/a	n/a

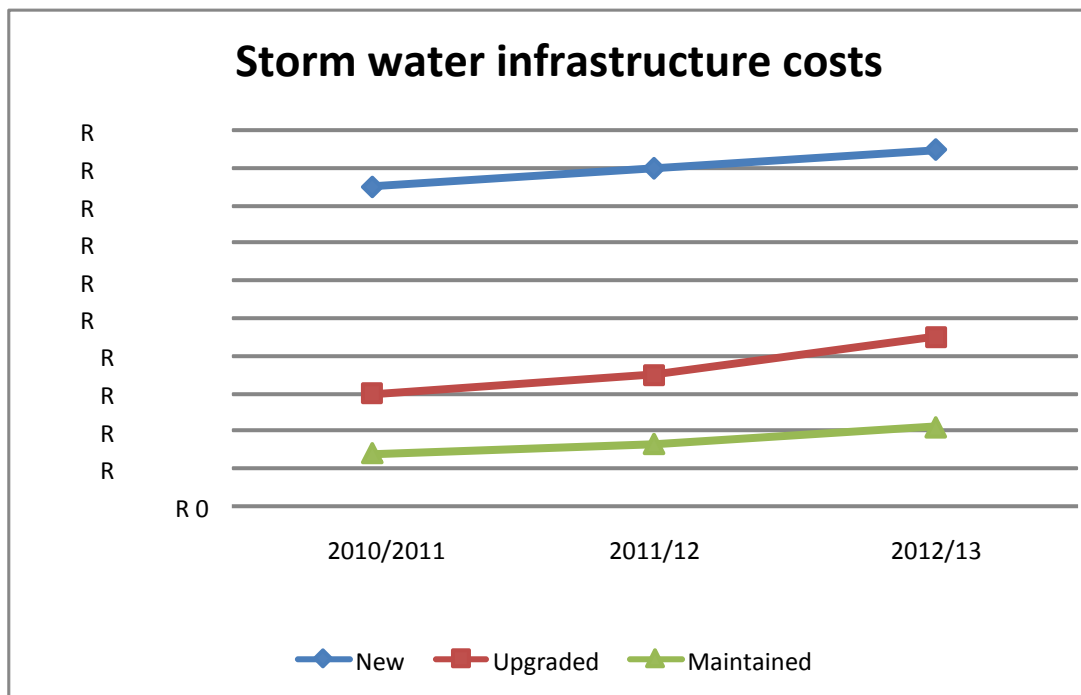
**Note -** This section marked with n/a is also provided for in the Annual Financial Statements attached as annexure at the end not otherwise reflected.



### 3.4.3 Stormwater Infrastructure (kilometers)

Year	Total stormwater drainage	New stormwater drainage	Upgraded stormwater drainage	Maintained stormwater drainage
2010/11	145	15	10	100
2011/12	160	20	12	120
2012/13	160	25	14	140

### 3.4.4 Stormwater Infrastructure - Cost



### 3.4.5 Roads Infrastructure - Cost of Construction/Maintenance

Year	Gravel			Tar		
	New	Gravel/Tar	Maintained	New	Re-worked	Maintained
2010/11	R450.000	R1.700.000	R250.000	R1.950.000	R1.050.000	R400.000
2011/12	R475.000	R1.800.000	R260.000	R2.020.000	R1.220.000	R500.000
2012/13	R490.000	R1.900.000	R280.000	R2.300.000	R1.300.000	R550.000

# ROADS AND STORMWATER INFRASTRUCTURE

Priority Area	Strategic Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
ROADS AND STORMWATER INFRASTRUCTURE											
Improve the conditions of existing municipal roads and stormwater drainages	Provide access to gravel roads through blading	Total kilometers roads bladed	Bladed or smooth riding streets	R500 000 0620/3825/0000	800km	300 km	At least 320km accessible gravel roads	675.3km roads gravelled	More equipment, repaired	n/a	Progress Reports certified by ward councillors
	Provide access to roads through re-gravelling	Total kilometers road re-gravelled	Re-gravelled or smooth riding streets	R1 000 000 0620/3825/0000	70km	80 km	At least 12 km accessible gravel roads	12 km	None	None	Appointment letters for service provider and acknowledgment letters signed by councillors
	Repair base patches and their defects as soon as they develop	Total cubic meters road patches completed	Satisfactory and safe road infrastructure	R1.000.000 0620/3829/0000	40m³ throughout municipality	40m³	At least 40m³ patches repaired for smooth riding quality roads	41.8m³ at Ward 1, 2, 10, 13, 14, 15, 16, 17, 21 and 25	GSDM supplied Asphalt	n/a	Confirmation letter and progress report
	Clean and open free- flow of stormwater to all silted pipes and stormwater channels	Total kilometers free-flow stormwater channels cleaned	Clean and free flow stormwater channels Reduced flooding of roads	R1 000 000 0620/3825/0000	25km	20 km	Free flow pipes and stormwater channels available	4.4km water channels 45 stormwater drains	EWP Incentives	n/a	Confirmation letter from national department of public works and progress report
	Repair and replace road kerbs	Number of kerbs replaced or installed	Satisfactory infrastructure	R200 000 0620/3825/0000 0620/3800/0000	0	10km	At least 5km kerbing	Installed 2km of kerbs at ward 5, 15, 21	Abnormal Weather patterns	Proper planning, more work to be allocated to EPWP	Progress report to council
	Repair or maintain bridges	Number of bridges repaired or maintained	Developed business plan signed by the Municipal Manager		2km	7km	Submit business plan to DPRT	Maintained Ngondlomezi Bridge internally	None availability of Road master plan	Develop the Road master plan	Progress report and print of the bridge
	Construct 50km V-drains to channel water	Number of kilometers of V-drains completed	Satisfactory infrastructure	R200 000 0620/3825/0000 0620/3800/0000	2km	2km	Constructed 2km of V-drains	Completed 47m V-drains,	Abnormal Weather patterns	Proper planning	Progress report submitted to council
Fleet Management	Conduct audit for expiring licenses on a monthly basis	Number of fleet audited for new licenses	Roadworthy municipal fleet	R1 360 476 0101/4525/0000 0103/4525/0000 0201/4525/0000 0203/4525/0000	99 fleet in use	132	100% of all fleet audited for disc renewal	Audited 100% of all fleet for disc renewal Renewed 35 license discs (136)	None	None	Report and copies of discs
	Maintain municipal fleet	Number of Fleet serviced	Roadworthy municipal vehicles	0220/4525/0000 0301/4525/0000 0411/4525/0000 0450/4525/0000 0505/4525/0000 0511/4525/0000 0601/4525/0000 0605/4525/0000 0620/4525/0000 0630/4525/0000	99 fleet in use	86	Serviced 100% of vehicles	Serviced 100% of vehicles (86)	None	None	Reports

Priority Area	Strategic Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
				0630/4525/0000 0640/4525/0000 0650/4525/0000 0701/4525/0000							
	Ensure compliance with fleet policy	Number of trip approvals signed	Compliance of fleet policy	0	0	Per need on daily basis	Reconciled Log records	Complied 100% with fleet management policy	None	n/a	Report on number of deviations
<b>KPA 2 : LOCAL ECONOMIC DEVELOPMENT</b>											
<b>Create job opportunities</b>	To implement the EPWP	Improved reporting skills	Improved performance	R75 500 0620/3800/0000	4	8	Report	Submitted report	None	n/a	Reports
<b>KPA 3 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>											
<b>Development</b>	Empower local emerging contractors	Number of local emerging contractors appointed	Awards made to local emerging contractors by SCM	0	55	60	Local contractors appointed	Appointed number of local contractors	None	n/a	Reports
	Empower personnel	Skills development	Better performance	0	12	20			None	n/a	Reports
<b>KPA: 4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>											
<b>Public participation</b>	To ensure community participation and support for all projects	Number of PSCs formulated	Public Participation	0	10	15	PSC per project	Established 1 PSC per project	None	n/a	Minutes
<b>KPA: 5 MUNICIPAL FINANCIAL VIABILITY</b>											
<b>Financial Management</b>	To properly manage the departmental finance	Control Expenditure	Manage departmental finance in line with the Budget	R... Several votes	AG Action Plan	Addressed % of AG issues	Clean Audit	Addressed % of AG issues	None	n/a	Reports AG Action Plan report

### 3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### Introduction

The Municipality spent more on free basic service delivery due to the high unemployment rate in the Municipality, which was above 30%, whilst most citizens depended on others. About 70% of the unemployed were young people and the employed earned an average of less than R50.000 per annum.

That being the case, it was further made worse by the fact that the poverty level of the Municipality equalled that of the Province at around 56%; hence the delivery of free basic services, particularly water and electricity, was a small number. That was because most areas were serviced by Eskom.

The percentage of households earning less than R1.100 per month with access to free basic services, was made possible through various means, the first of which was to provide electricity connections to more than 786 households and 18.424 registered indigents were benefiting. In-house registration of indigent households continued.

### 3.6 PROJECT MANAGEMENT UNIT (PMU)

#### Introduction

**The total budget of R73.374.200 represented 31% of the total budget for MIG projects.**

The PMU was one of the best Sections within the Municipality and possibly within the Province, in that almost all the projects that were planned in the 2012/13 financial year, as well as the budget thereto, was used to 100% of the MIG expenditure.

The Municipality utilised this Section to deliver basic infrastructure projects in the Municipality, and it was charged with the responsibility of implementing and monitoring of all projects. The following were examples of those projects:

- Basic water infrastructure projects
- Roads construction projects
- Electricity projects.

None of the above projects was abandoned due to poor control or management. All projects were successfully completed and a report was submitted to all the important stakeholders, which were Province, and National Treasury. The Unit was also charged with the EPWP projects that constantly reported to DPRWandT in relation to EPWP projects, and through that program the Municipality obtained additional funding for EPWP reporting.

#### 1. Construction of Carolina Landfill site

During the 2012/13 financial year Council approved a budget of R2.000.000 for the design phase, that was 85% completed; the construction thereof would start in November 2013.

The current status of is at 90% completed, awaiting Record of Decision (ROD) from Department of Water Affairs (DWA) and Department of Economic Development, Environment and Tourism (DEDET) which they promised to issue before end of January 2014. The Municipality would start construction during March 2014.

#### 2. Construction of Carolina Taxi rank

During the 2013/14 financial year Council approved a budget of R600.000 for the design phase, which was completed.

#### 3. Construction of Tjakastad Taxi Rank

During the 2012/13 financial year Council approved a budget of R600.000 for the design phase, that was 90% completed; the construction thereof will start in November 2013.

The current status is at 25% completed for Phase 1, and scheduled to be completed in May 2014.

#### 4. Refurbishment of Carolina Stadium

During the 2013/14 financial year Council approved a budget of R300.000 for the scoping report phase, which was completed.

#### 5. Construction of Elukwatini Landfill site

During the 2012/13 financial year Council approved a budget of R4.300.000 for the design and construction, which was completed.

6. The percentage of the Municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the Municipality's IDP, was R73.374.200, which represented about 31.27% of the total budget for the 2012/13 financial year.

The tables below give detailed breakdowns of those projects that were approved for implementation during the course of the financial year.

**PROJECT MANAGEMENT UNIT (PMU)**

Priority Area Strategic	Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation/ achievements	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : BASIC SERVICE DELIVERY											
Infrastructure development and service delivery	Reports on projects implemented	Number of meetings held	Efficiency of the department	None	All projects had PSCs	Reports	8 meetings	Held 5 formal meetings	We did not have a schedule for the meeting	We have developed a plan to schedule the meeting for the current financial year	Attendance register and Minutes
		Quarterly progress report submitted t Council	Enable Council to oversee the department	None	4	4	4	Submitted 1 quarterly progress report to Performance Management System and Internal Audit	None	None	Report
		Monthly progress reports submitted to relevant stakeholders	Update progress for DWA, DOE, MIG and EPWP	None	12	12 progress reports	12 progress reports	Submitted 12 progress reports to all relevant stakeholders, eg MIG, DOE, EPWP	None	None	Reports
	Eradicate backlogs	Number of households benefiting from new access to water	New access to water	R26 500 000 0603/1669/0000	3 845	150 households	750 households	1200 households benefitted from the completion of Package Plants at Methula and Ekulindeni Bulk Systems	Because of the roll over water projects	All the project should be completed within the financial year	Completion Certificate and progress reports from consultants
		Number of households benefiting from new access to sanitation	New access to sanitation	R11 122 000 0603/1669/0000	3 949	3500 households	1 500 households	1350 households benefitted	The technical report was only approved by Department of Human Settlement in April 2013	We need to ensure that we have the preapproval technical report before the start of the financial year	Completion Certificate and progress reports from consultants
		Kilometers of road constructed	Kilometers of road constructed	R24 793 280 0603/1669/0000	0	1.5km	9km	Completed 6.1km road construction	Project delayed due to weather patterns	Proper planning	Progress reports from consultants
		Number of households benefiting from access to basic electricity	Access to basic electricity	R8 200 000 0603/1669/0000	450 households	544 households	745 households	826 households benefitted in Silobela Ext 4, Crossroad, Nhlazatshe 7B, Solomon, Glenmore, Mafufumbe	More connections as a result of new households	None	Happy letters
	Improvement of existing systems	Number of households benefiting from improved bulk water systems	Number of households benefiting	R12 500 000 0603/1669/0000	2 224 households	13218 households	10500 households	9265 households benefitted from the completion of Package Plants at Methula and Ekulindeni Bulk Systems	Project delayed due to weather patterns	Proper planning	Completion Certificate and progress reports from consultants
	Provision of public facilities	Number of households benefiting from new/improved waste management system	Access to new/improved waste management system	R4 000 000 0603/1669/0000	0 households	0 households	15000 households	15000 households benefitted from the completion of Elukwatini Landfill Site	None	None	Completion certificate

Priority Area Strategic	Objective	Key Performance Indicator (KPI)		Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation/ achievements	Steps taken to correct the situation	Means of verification
		Outcome	Impact			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
		Number of households benefiting from street lights and high mast lights	Benefiting from street lights and high masts lights	R6 658 920 <i>0603/1669/0000</i>	320 households	320 households	5 000 households	2011 households benefitted from the completion of streetlights	Highmast lights were scheduled for structural erection from February 2013		Reports
KPA 2 : LOCAL ECONOMIC DEVELOPMENT (15%)											
Job creation	Implement EPWP	Improved reporting skills	Improved performance	R785 525 <i>0620/3800/0000</i>	4 employees	8 employees	4 employees	7 employees attended	Coincided with other municipal programs	Reschedule courses	Course certificates
		Monthly EPWP reports produced	Receive more incentives		12 reports	12 reports	12 reports	Submitted 12 monthly reports	None	Reported to stakeholders	Monthly reports
		Number of jobs created for semi-skilled individuals	Alleviated poverty		700 jobs	1223 jobs	700 jobs	Created 10093 jobs	Reported on Community Works Program and as a result more funds were generated	Continue accurate reporting	Awards and Reports
KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION (10%)											
Public Participation	Ensure community participation and support for all projects	Formulate PSC	Public participation	0	10 PSCs	19 PSCs	10 PSCs	Established PSCs for all 38 projects	More projects were implemented and as result more meetings were held		Attendance Registers
		Number of PSC/Site meetings held	Project involvement of beneficiaries		20 meetings	27 meetings	20 meetings	Held 34 PSC/Site meetings	More projects were implemented and as result more meetings were held		Attendance Registers
KPA 4 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION (10%)											
Development	Empower local emerging contractors	Obtain reports from SCM on awards to emerging contractors	Local contractors appointed	0	55 contractors	4 contractors	60 contractors	Made awards made to 84 local emerging contractors	VIP allocations were split	n/a	Reports
	Empower personnel	Skills development	Better performance	0	12	0	20	18	Coincided with other municipal programs	Reschedule courses	Course certificates
KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (5%)											
Financial Management	Properly management of departmental finance	Manage departmental finance in line with the budget	Controlled expenditure		AG Action Plan	AG report	Clean Audit	Managed funds well, on track towards a clean audit	None	None	Budget vote 0603

### 3.7.1 Management of Capital Projects 2012/13

Project Name	Final Budget 2012/13	1st Quarter 2012/13	2nd Quarter 2012/13	3rd Quarter 2012/13	4th Quarter 2012/13	Funding Agent
<b>WATER</b>						
Upgrading of Eerstehoek Water Treatment Works	220.000	22.000	66.000	88.000	44.000	MIG
Replacement of AC Pipelines on the Eerstehoek Water Scheme	239.241	23.924	71.772	95.696	47.848	MIG
Upgrading pumping capacity and retrofitting of Carolina Water Scheme	7.836.400	783.640	2.350.920	3.134.560	1.567.280	MIG
Replacement of AC Pipes in Silobela Ext 1	6.473.700	647.370	1.942.110	2.589.480	1.294.740	MIG
Upgrading of Ekulindeni Bulk Water System	2.320.000	232.000	696.000	928.000	464.000	MIG
Installation of package plant in Methula (Fernie WTW)	1.382.000	138.200	414.600	552.800	276.400	MIG
Construction of water reticulation and Electricity	4.000.000	400.000	1.200.000	1.600.000	800.000	Investment
Refurbishment of Empuluzi Scheme	1.327.493	132.749	398.248	530.997	265.499	DWA
Refurbishment of Lusushwane Scheme	365.888	36.589	109.766	146.355	73.178	DWA
Refurbishment of Methula Scheme	957.088	95.709	287.126	382.835	191.418	DWA
Refurbishment of Eerstehoek Scheme	2.102.285	210.229	630.686	840.914	420.457	DWA
Refurbishment of boreholes	823.705	82.371	247.112	329.482	164.741	DWA
Refurbishment of Ekulindeni Scheme	1.280.541	128.054	384.162	512.216	256.108	DWA
<b>SUB TOTAL WATER</b>	<b>29.328.341</b>	<b>2.932.834</b>	<b>8.798.502</b>	<b>11.731.336</b>	<b>5.865.668</b>	
<b>SUB TOTAL WATER - MIG</b>	<b>18.471.341</b>	<b>1.847.134</b>	<b>5.541.402</b>	<b>7.388.536</b>	<b>3.694.268</b>	
<b>SANITATION</b>						
Provision of VIPs in wards to be identified	8 300 000	830 000	2 490 000	3 320 000	1 660 000	MIG
Construction of Silobela Ext 2 and 3 - 500 toilets top structure	2 822 000	282 200	846 600	1 128 800	564 400	MIG
<b>SUB TOTAL SANITATION - MIG</b>	<b>11 122 000</b>	<b>1 112 200</b>	<b>3 336 600</b>	<b>4 448 800</b>	<b>2 224 400</b>	
<b>ROADS</b>						
Paving of Nhlazatshe 3 Road	6 945 941	694 594	2 083 782	2 778 376	1 389 188	MIG
Construction of tarring of road from Dundonald to Slovo	5 104 258	510 426	1 531 277	2 041 703	1 020 852	MIG
Construction of Ekulindeni Ring Road	7 017 840	701 784	2 105 352	2 807 136	1 403 568	MIG
Construction of Badplaas Ring Road	7 017 840	701 784	2 105 352	2 807 136	1 403 568	MIG
Construction of Mayflower Ring Road	3 508 920	350 892	1 052 676	1 403 568	701 784	MIG
Design and Construction of Maanhaar/Nhlaba Bridge	1 300 000	130 000	390 000	520 000	260 000	MIG
<b>SUB TOTAL ROADS</b>	<b>30 980 799</b>					
<b>SUB TOTAL ROADS -MIG</b>	<b>30 894 799</b>	<b>2 959 480</b>	<b>8 878 440</b>	<b>11 837 920</b>	<b>5 918 960</b>	
<b>ELECTRICITY</b>						
Construction of 16 High mast lights	3 960 283	396 028	1 188 085	1 584 113	792 057	MIG
Construction of 100 streets lights at Caroline and Nhlazatshe Crossing	1 125 777	112 578	337 733	450 311	225 155	MIG
Silobela crossroads 80 connections	880 560	88 056	264 168	352 224	176 112	INEP
New village connections 150	1 651 050	165 105	495 315	660 420	330 210	INEP
Vaalbank (Omnia farm 40 connections)	440 280	44 028	132 084	176 112	88 056	INEP
Magudu (Shiba village 90)	990 630	99 063	297 189	396 252	198 126	INEP
Bamboni 103 connections	1 133 721	113 372	340 116	453 488	226 744	INEP
Glenmore B 152 connections	1 673 064	167 306	501 919	669 226	334 613	INEP
Mayflower gate 55 connections	605 385	60 539	181 616	242 154	121 077	INEP
Waverly Extension (Sthobela, Mashonamini)	825 310	82 531	247 593	330 124	165 062	INEP
Electricity demand	8 000 000	800 000	2 400 000	3 200 000	1 600 000	DME
<b>SUB TOTAL ELECTRICITY</b>	<b>21 286 060</b>	<b>2 128 606</b>	<b>6 385 818</b>	<b>8 514 424</b>	<b>4 257 212</b>	
<b>SUB TOTAL ELECTRICITY - MIG</b>	<b>5 086 060</b>	<b>508 606</b>	<b>1 525 818</b>	<b>2 034 424</b>	<b>1 017 212</b>	
<b>COMMUNITY ASSETS</b>						
Construction of Carolina Landfill site	2 000 000	200 000	600 000	800 000	400 000	MIG
Construction of Carolina Taxi rank	600 000	60 000	180 000	240 000	120 000	MIG
Construction of Tjakastad Taxi Rank	600 000	60 000	180 000	240 000	120 000	MIG
Refurbishment of Carolina stadium	300 000	30 000	90 000	120 000	60 000	MIG
Construction of Elukwatini Landfill site	4 300 000	430 000	1 290 000	1 720 000	860 000	MIG
<b>SUBTOTAL COMMUNITY ASSETS - MIG</b>	<b>7 800 000</b>	<b>750 000</b>	<b>2 250 000</b>	<b>3 000 000</b>	<b>1 500 000</b>	
<b>TOTAL INFRASTRUCTURE BUDGET</b>	<b>97 817 200</b>	<b>97 817 203</b>	<b>97 817 204</b>	<b>97 817 205</b>	<b>97 817 206</b>	
<b>TOTAL MIG BUDGET</b>	<b>73 374 200</b>	<b>7 177 420</b>	<b>21 532 260</b>	<b>28 709 680</b>	<b>14 354 840</b>	

### 3.7.2 Operational Cost Allocation 2012/13

The breakdown of the amount for the 2012/13 financial year was as follows:

<b>Financial Performance Project Management(PMU)</b> <b>R'000</b>					
<b>Details</b>	<b>2011/12</b>	<b>2012/13</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	<b>R3.861.800</b>	<b>R3.861.800</b>	<b>0</b>	<b>R3.861.800</b>	<b>0%</b>
<b>Expenditure:</b>					
Employees	R2.591.275	R2.591.275	0	R2.591.275	0%
Repairs and Maintenance	R1.270.000	R1.270.000	0	R1.270.000	0%
Other			0		0%
<b>Total Operational Expenditure</b>	<b>R3.861.800</b>		<b>0</b>		<b>0%</b>
<b>Net Operational Expenditure</b>	<b>R3.861.800</b>		<b>0</b>	<b>R3.861.800</b>	<b>0%</b>

## COMPONENT C

### PLANNING AND DEVELOPMENT SERVICES

#### 3.8 PLANNING SERVICES

##### Introduction

##### Planning and Development Services strategic objectives:

- To coordinate and compile Integrated Development Planning.
- To coordination of Strategic Planning and compilation of report to Council.
- To formulation and implementation of service delivery improvement programs for the Municipality.
- To formulation and implementation of community participation for the Municipality.
- To provide spatial planning, town planning, formulation and implementation of LUMS for the Municipality.
- To manage housing development and related issues, eg approval of building plans.
- To promote economic development and tourism to eradicate poverty and reduce unemployment and inequalities.

##### 3.8.1 Town Planning and Building Regulations and Enforcements

##### 1) LUMS - Land Use Management Scheme

**Achievement:** Public participation conducted, LUMS approved by Council, awaited promulgation.  
**Challenges:** Delay of publication in Gazette.

##### 2) SDF - Spatial Development Framework

**Achievement:** Tool in place, township establishment was taking place in accordance with the tool (Mayflower Cemetery).  
**Challenges:** Difficulties in controlling land in the custodianship of the Traditional Authorities.

##### 3) Silobela Cemetery - Project could not be implemented due to financial constraints.

##### 4) Carolina Industrial Extension - Project could not be implemented due to financial constraints.

##### 5) Silobela Phase X - Registration was not completed by the Office of the Surveyor-General.

##### 6) Elukwatini Ext BA 550 residential sites - Land surveyed, registration with Office of the Surveyor-General completed, awaited final layout from the service providers.

##### 7) GIS (Geographic Information System) - Service provider appointed for installation of the system and training of personnel would commence in the new financial year.



### 3.8.2 Applications for Land Use Development

	Formalisation of Townships		Rezoning		Built Environment	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Planning application received	-	-	-	2	n/a	n/a
Determination made in year of receipt	-	-	-	2	n/a	n/a
Determination made in following year	-	-	-	-	n/a	n/a
Applications withdrawn	-	-	-	-	n/a	n/a
Applications outstanding at year end	-	1	-	-	n/a	n/a

### 3.8.3 Planning Services - Capital Expenditure 2012/13

The four largest capital projects of the Department were:

#### Town Planning:

- **GIS** - The Municipality required the GIS system to be able to implement the LUMS.
- **Silobela Cemetery** - The existing cemetery reached capacity.
- **Carolina Industrial Extension** - A need for serviced industrial sites to promote economic growth.
- **LED Programs** - A vibrant local economy was one of the Municipality's IDP.

The variations from the budget were caused by the approved budget not being funded due to low revenue collection.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
GIS	R 200.000	R 318.345	R 318.345	R 118.345	R 318.345
Silobela Cemetery	R 800.000	R 800.000	0	0	R 800.000
Carolina Industrial Extension	R1.000.000	R1.000.000	0	0	R1.000.000
IDP	R 300.000	R 300.000	R 300.000	0	R 300.000
LED Programs	R 800.000	R 800.000	0	0	R 800.000
Marketing	R 50.000	R 50.000	0	0	R 50.000

### 3.8.4 Planning Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Vacancies (as % of total posts) %
0-3	1	1	4	0	0%
4-6	3	3	6	1	33%
7-9	6	6	4	0	0%
10-12	0	1	0	1	100%
Total	9	9	14	2	22%

### 3.8.5 Planning Services - Capital Expenditure

Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
GIS	R 200.000	R 318.345	R 318.345	R 118.345	R 318.345
Silobela Cemetery	R 800.000	R 800.000	0	0	R 800.000
Carolina Industrial Extension	R1.000.000	R1.000.000	0	0	R1.000.000

## 3.9 HOUSING SERVICE

#### Introduction

The Municipality facilitated housing allocation received from the Province. Council allocated the housing units to different Wards based on the number of housing units received. For 2012/13, 960 housing units were allocated to different Wards or areas as per Council resolution. The challenges were as follows:

- The allocation of housing units from Province were not enough to cover all the Wards or areas, the backlog in Wards was very huge;
- Shortage of staff and resources within the Municipality;
- Beneficiaries with Title Deeds in tribal areas were denied by the HSS (Housing Subsidy System) to qualify for an RDP house;
- Disaster Houses had not been attended to by the Department of Human Settlements for more than three years.

The Municipality continuously engaged the Province regarding the challenges with the above-mentioned issues, and also to request assistance on matters related to housing.

The Municipality was doing its best to assist communities in terms of decent shelters through the allocation received from the Department of Human Settlement. The Municipality already identified land for housing projects for middle and low-income people and once the proposal had gone through, it would be possible to facilitate the beneficiaries with the relevant developers and the necessary processes that need to unfold.

### 3.9.1 Housing Service - Number of households with access to basic housing

Year	Total households (including informal and settlements)	Household informal settlements (traditional)	Percentage of households (informal settlements)
2009/10	23.164	13.747	2.857
2010/11	36.497	3.994	2.740
2011/12	36.497	7.994	2.740
2012/13	36.497	7.994	2.740

Source: Stats SA 2011

### 3.9.2 Housing Service - Percentage of households with access to basic housing

Year	Total households (including informal settlements)	Number of Households (informal settlements - Traditional)	Percentage of households (informal settlements)
2012/13	47.600	9.000	4.500

Source: Stats SA 2011

### 3.9.3 Housing Services - Number of Employees

Housing Service : Employees					
Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0 - 3	1	1	1	1	0%
4 - 6	1	3	1	2	67%
10 - 12	0	1	0	1	0
Total	2	5	2	3	40%

**PLANNING AND ECONOMIC DEVELOPMENT**

Priority Area Strategic	Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
		Output			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
<b>KPA 1 : BASIC SERVICE DELIVERY</b>										
<b>Town Planning</b>	Establish a GIS (Geographic Information System) licensing, software	Create a spatial information database for the Municipality Automated system that will enhance implementation of the Land Use Management System (LUMS)	R200 000 <b>0701/4371/0000</b>	No electronic spatial information available	MOU was signed with Gert Sibande District Municipality on 19 September 2011 <u>GIS</u> The implementation of the GIS would start in the next financial year 2012/13	Pay license fees connection of hardware	Submitted the specification report to the Office of the Municipal Manager for approval ESRI South Africa was appointed Contract with service provider would be finalised by end of June 2013	Pay license fees connection of software (license)	n/a	1. Specification report approved by Municipal Manager 2. Appointment letter of ESRI SA 3. Finalised contract with service provider finalised by end June 2013, as signed by Legal Section 4. Advert for GIS software and installation placed by SCM 5. MoU signed between GSDM and CALM 6. Report on the commencement with the implementation of the GIS in the 2012/13 financial year 7. Report on training on the GPS etc provided by DARDLA; who were trained and dates of training.
<b>Spatial Planning</b>	<u>Silobela Cemetery</u> Create a new cemetery site at Silobela Basic infrastructure development and service delivery Improve cemetery facility for community of Silobela	Existing cemetery reaching capacity	R800 000 <b>0701/4371/0000</b>	Identification of land	None	0	Identified land Appointed a service provider Submitted the specification report to the Office of the Municipal Manager for approval	No funding available	It will budgeted for 2013/2014	Report Approved specification report
	<u>Carolina Industrial Extension</u> Increase industrial	Need for serviced industrial sites	R1 000 000 <b>0701/4371/0000</b>	Project planning	None	0	Placed an advert for Carolina Industrial Extension in the media on 9 September 2012 Submitted the specification report to the	No funding available	It will budgeted for 2013/2014	Advert Approved specification report

Priority Area Strategic	Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
		Output			Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
	activities in the area						Office of the Municipal Manager for approval			
<b>KPA : 2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>										
<b>Integrated Development Planning</b>	Formulate a 5-year strategic management plan for the municipality	Co-ordinate implementation of projects in the municipal were a Buy-in from stakeholders and ownership of projects	R300 000 <b>0701/4453/0000</b>	Integrated development planning	Public Participation was conducted on Spatial Development Framework IDP Rep Forum meeting convened on 6 October 2012 All stakeholders participated during the IDPRF Community inputs factored into the draft Integrated Development Plan	Consultation Rep Forum meetings and printing R75 000	Process plan approved by Council and public participation conducted Public Participation was conducted on Spatial Development Framework IDP Rep Forum meeting was held A copy of the Integrated Development Plan was submitted to council and the Office of MEC in June 2013	None	n/a	IDPRF minutes and MEC comments on IDP

### 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### 3.10.1 LED Strategic Objectives

- To promote a shared understanding of the LED concept, use of sound LED practices and the LED process flow;
- To promote private-public sector collaboration, support and funding of municipal LED Programs and projects;
- To identify key economic sectors that contributes to the growth of the CALM economy;
- To ensure alignment of the strategy to the existing policies and strategies such as Integrated Development Plan, Spatial Development Framework, Environmental Management Framework and Housing plan;
- To develop a tourism development plan and a tourism marketing strategy;
- To align the strategy with the 2030 vision (long-term) for Chief Albert Luthuli Municipality.

The LED Section developed the LED Strategy in-house with anchor projects to be implemented in the financial year. The anchor projects were shown in the following table:

<i>Status Quo</i>	<i>Key Challenges</i>	<i>Action Plan</i>	<i>Responsibility</i>	<i>Timeframe</i>	<i>Source of Funding</i>
<b>Terra Wind Power</b> <ul style="list-style-type: none"> <li>• The Environmental Assessment ROD was received.</li> <li>• Transport route was completed.</li> <li>• CAA approval in principle subject to final turbine layout.</li> <li>• Valid ESKOM cost estimate in place.</li> </ul>	<ul style="list-style-type: none"> <li>• The developer was negotiating with potential funders.</li> <li>• The Section 53 application was still not finalised</li> </ul>	<ul style="list-style-type: none"> <li>• A memorandum of understanding would be entered into between the Municipality and the private company, to ensure that local people benefitted from the project.</li> <li>• The agreement would have clear details on the support that would be offered by the Municipality.</li> <li>• Application for rezoning of land and water was still underway</li> </ul>	LED Unit and Legal Services Section	July/August 2014	Private Funder
<b>CALM City Development.</b> <ul style="list-style-type: none"> <li>• Land identification was still in process, the land identified would undergo to feasibility studies. The Municipality supported the developer in identifying suitable land for the project. This was pioneered by the Premier and would be a multi-year project.</li> </ul>	<ul style="list-style-type: none"> <li>• The initial land identified had a land claim challenge, thus the identification of alternative land owned by the Municipality.</li> <li>• Communication between the Municipality and the District required improvement.</li> <li>• The Municipality had to acquire permission to utilise the farm for such development. The title deed stipulated conditions for the usage of the farm.</li> <li>• Alternative land identified along N17 towards Lochiel, landowner was not traceable.</li> <li>• National Treasury Neighbourhood Development Grant was moved to the Department of Rural Development and Land Reform, negotiations were still underway</li> </ul>	<ul style="list-style-type: none"> <li>• The Municipality, as the title deed holder, had to apply to the Premier for approval on the changed land use.</li> <li>• After land confirmation and finalisation, the Municipality would enter into an agreement with the Province, and the Developer.</li> <li>• The Municipality would be approving the layout plans design and building plans. The District would work with the Municipality on infrastructure development of the project.</li> <li>• The Municipality had to present the project to the Premier's office by June 2013</li> </ul>	Director and Town Planning Section  LED Unit and Legal Service  LED Unit  Town Planning and Building Inspection unit	December 2013	
<b>Lemon Project</b> Feasibility studies funded by IDC were completed; it was proven that citrus farming was feasible in the area. Funding was sought from IDC, DARDLA, DEDET etc. The project was based on different farms around Badplaas. The main plant would be based in Badplaas.	<ul style="list-style-type: none"> <li>• This project required funding, although applications were made.</li> <li>• Water rights for the project were not acquired.</li> <li>• The landowners were still struggling to source funding.</li> </ul>	<ul style="list-style-type: none"> <li>• The Municipality has provided the DBSA's response to IDC to ensure that the compiled application met the requirements.</li> </ul>	LED Unit	July 2013	
<b>E-Learning project:</b> This was a private project, targeting schools with a communicating facility with an anchor schools linked to other surrounding schools to benefit in the Maths and Science field. The Municipality needed to communicate the information on this project to ensure that they could apply for the facility through the	The schools did not have information on the available assistance on the project.	<ul style="list-style-type: none"> <li>• A meeting between the LED unit and all Circuit Managers was planned to inform them about them about the E-Learning project.</li> <li>• It was agreed that on 16 and 18 April 2013 all high school principals would visit Ligbron Technical High School for a practical class visit to the E-Learning class.</li> </ul>	LED Unit and DoE	October 2013	Private companies

<b>Status Quo</b>	<b>Key Challenges</b>	<b>Action Plan</b>	<b>Responsibility</b>	<b>Timeframe</b>	<b>Source of Funding</b>
Municipality		<ul style="list-style-type: none"> <li>After the visit to Ligbron Technical High School the E-learning project technician would conduct an airborne study to get the GPS connection for the schools. A quotation would be served to schools.</li> </ul>			
<b>CRDP</b> This was a three-year Program, covering all municipal wards. All sector departmental and the Municipality's projects would be implemented through the CRDP.	<ul style="list-style-type: none"> <li>Sector departments were not attending the Council of Stakeholders meetings and Technical Task Team meetings.</li> <li>The following departments were not represented in all CRDP meetings: COGTA, DPWR&amp;T, DEDET, DRDLR, DWA, DHA, MRTT, DSD</li> </ul>	<ul style="list-style-type: none"> <li>A letter of concern was sent to the Office of the Premier stating the challenges faced with non-attendance of key sector departments.</li> </ul>	Offices of the Executive Mayor and the Municipal Manager	2014/2015	
<b>DBSA</b> After a workshop was conducted with the DBSA/Jobs Fund official the following applications were submitted for funding: <ul style="list-style-type: none"> <li>Badplaas Water Scheme</li> <li>Carolina Land fill site</li> <li>Carolina Taxi Rank</li> <li>Carolina Water scheme</li> <li>Cultural Village</li> <li>Mpuluzi Water Scheme</li> <li>Households electrification</li> <li>Silobela Sewer Completion</li> </ul>	<ul style="list-style-type: none"> <li>After applications were submitted no feedback was received from DBSA. Several attempts to follow up were made but due to the then application system no information could be sourced.</li> <li>Applications were made online, thus no physical follow up could be made.</li> <li>The LED projects could not be submitted for funding due to the required co-funding by the Jobs Fund</li> </ul>	<ul style="list-style-type: none"> <li>Communicate with the DBSA official who conducted the workshop to acquire more information on the application status</li> </ul>	Director PED and Office of the Municipal Manager	June 2013	DBSA

### 3.10.2 Local Job Opportunities

The Municipality also offered tourists a very wide range of tourism activities that were available within the Municipal area and in its immediate areas. Tourism and agricultural opportunities were still underdeveloped and had a huge potential to contribute to the economic development of the Municipality.

There were a vast number of street traders in the Municipal key areas such as the Oshoek Border Post, N17, and business centres. Street traders contributed to the economy on a small scale and created income for themselves, but a big challenge was the lack of supporting facilities such as toilet facilities and formalised trading areas.

#### Job creation (EPWP Projects)

<b>Job creation through the Extended Public Works Program (EPWP) projects</b>	
<b>Year</b>	<b>Number of jobs created</b>
2012/13	6.599

### 3.10.3 Planning Services - Number of employees

<b>Job Level</b>	<b>Number of Posts</b>	<b>Number of Employees</b>	<b>Number of Vacancies</b>
0-3	1	1	0
4-6	2	2	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>

### 3.10.4 Planning Services - Capital Expenditure

<b>Capital Projects</b>	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from Original Budget</b>	<b>Total Project Value</b>
LED Program	R800.000	R800.000	0	0	R800.000
Marketing	R 50.000	R 50.000	0	0	R 50.000

### 3.10.5 Applications for Land Use Development

<i>Applications for Land Use Development</i>	<i>Formalisation of Townships</i>		<i>Rezoning</i>		<i>Built Environment</i>	
	<i>2011/12</i>	<i>2012/13</i>	<i>2011/12</i>	<i>2012/13</i>	<i>2011/12</i>	<i>2012/13</i>
Planning application received	-	-	-	2	n/a	n/a
Determination made in year of receipt	-	-	-	2	n/a	n/a
Determination made in following year	-	-	-	-	n/a	n/a
Applications withdrawn	-	-	-	-	n/a	n/a
Applications outstanding at year end	-	1	-	-	n/a	n/a

### 3.10.7 Planning Services - Number of Employees

<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Number of Employees</i>	<i>Number of Posts</i>	<i>Number of Employees</i>	<i>Number of Vacancies (fulltime equivalents)</i>	<i>Vacancies (as % of total posts) %</i>
0-3	1	1	4	0	0
4-6	3	3	6	1	0
7-9	6	6	4	0	0
10-12	0	0	0	1	0
Total	9	9	14	2	0

### 3.10.8 Planning Services - Capital Expenditure

<i>Capital Projects</i>	<i>2012/13</i>				
	<i>Budget</i>	<i>Adjustment Budget</i>	<i>Actual Expenditure</i>	<i>Variance from original budget</i>	<i>Total Project Value</i>
GIS	R 200.000	R 318.345	R 318.345	R 118.345	R 318.345
Silobela Cemetery	R 800.000	R 800.000	0	0	R 800.000
Carolina Industrial Extension	R1.000.000	R1.000.000	0	0	R1.000.000

**LOCAL ECONOMIC DEVELOPMENT SERVICES**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA : 3 LOCAL ECONOMIC DEVELOPMENT										
LED / Local Economic Development	Local Economic Development / Business Summit to bring together different economic sectors	Local Economic Development action plan for implementation of the LED Strategy Networking session for key stakeholders Improved local economic opportunities Explore opportunities for job creation Bring together government and private sector	R200 000 0701/4459/0000	LED Strategy LED Summit Report	The Municipal LED Summit was held on 18 and 19 April 2012 A Summit report was finalised	Project Planning Stakeholder consultation Negotiate for sponsorship	Sent letters of request to all Mines for their 2012/13 SLP's Completed public participation	Received 2012/13 SLPs from only some Mines; follow-ups were made for others	The Business Summit would be held as soon as relations with key stakeholders in all sectors can be strengthened through one on one engagement	1. LED Action Plan for implementation of the LED Strategy 2. SLPs from Mines 3. Report on one-on-one engagements with Mines 4. Compilation of task team
	Investment Promotion Policy	Investment opportunities promoted Increased investment in the municipal were a	R200 000 0701/4459/000	No investment promotion policy	No report	Appoint service provider	No progress	Lack of resources	Requested assistance with funding from DEDET, GSDM	1. Report on developing Investment Promotion Policy
Reduction of Poverty by 5% Annually	Facilitate the establishment of a brick manufacturing plant in Nhlazatshe 6, Fernie, Silobela	Have a functional brick- manufacturing business in the 3 areas Job opportunities created Reduced poverty and unemployment	R250 000 0701/4459/0000	No brick-making facility in these areas	No report	Capture data Registration of co-ops	Brick-making Plants Registered the following brick manufacturing projects at Fernie and Silobela Requested Supply Chain Unit to procure the required equipment.	Brick Manufacturing Plants Did not procure required equipment due to financial constraints faced by the LED Unit Identified needs	Business Plans sent to DTI and other financial institutions for assistance	1. List of GSDM agricultural projects 2. Report on GSDM agricultural projects
		Create job opportunities through EPWP All municipal infrastructure projects were implemented through labour intensive methods		Economic growth	2726 temporal job opportunities were created for various temporary projects	More people employed in infrastructure projects	Created 22604 temporary jobs from the CWP, EPWP and the CRDP Programs and other LED projects The provincial implementing agency provided for uniforms and tools	Makhonjwa Mountain Project Funding was being sourced Submitted final applications with PSC inputs to National Heritage	National Mining Lekgotla Working relations between the public and private sector was emphasised at the Lekgotla held at Nkangala District Municipality on 2 November 2012; all mining houses were represented	1. Report on jobs created through CWP, EPWP, CRDP and other LED projects 2. Report on Makhonja Mountain Project applications to National heritage 3. Report on National Mining Lekgotla



Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							<p><b><u>Jobs Fair/Job Summit</u></b> was held at Secunda on 19 October 2012</p> <p><b><u>Agricultural Projects</u></b> Assisted a GSDM project initiative cooperative who specialised in planting of Orlando Grass in Fernie with registration</p> <p><b><u>Elukwatini Fresh Produce Market</u></b> Signed a renewal lease agreement between the Lessee and the Municipality.</p> <p><b><u>AdLuck Poultry Project</u></b> Council mandated PED to do a due diligence visit on the project in KZN where the project was in operation jointly with GSDM.</p> <p><b><u>Khanyisa Poultry Cooperative</u></b> The LED Unit and GSDM were reviving the project. GSDM appointed a service provider to renovate the existing broiler houses. Project monitored with assistance of DARDLA and State Veterinary Section Received 1000 chicks, feed including start mash 60 bags, grower 50 bags and finwasher</p> <ul style="list-style-type: none"> <li>• vegetable garden</li> <li>• Badplaas sewing project</li> </ul> <p>Mayflower 4 groups for agriculture</p> <p><b><u>Vukuzenzele Garden Project</u></b> Engaged the group to revitalise the project, and advised to register as a cooperative The cooperative applied for electrical upgrading by ESKOM. Visited</p> <ul style="list-style-type: none"> <li>• Thembaletu Disabled Vegetable Group Ekulindeni</li> <li>• Impangela Agricultural Cooperative Steynsdorp</li> <li>• Jabula Hulumeni Agricultural Cooperative Steynsdorp</li> </ul>	<p><b><u>Traditional Council Meeting: CRDP</u></b> Held on 7 November 2012 with all Traditional Councils to inform on the rolling out of the CRDP to all wards</p> <p>None</p> <p>None</p> <p>We were informed that there was no such project in operation at the time</p> <p><b><u>Khanyisa Poultry Cooperative</u></b> GSDM was willing to fund the project after all required information was acquired. Registration of cooperatives was funded by the District and was underway. Project Phase Two in completion stage, only electrification was outstanding.</p> <p>None</p>	<p>To engage DARDLA for assistance in terms of agricultural projects</p> <p>None</p> <p>Re-initiate projects in next financial year</p> <p><b><u>Khanyisa Poultry Cooperative</u></b> Project to be completed in March 2013 Project marketing</p> <p><b><u>Vukuzenzele Garden Project</u></b> Prioritised project for funding through the Gert Sibande District MRDI Program in 2013/14</p>	<p>Business plans</p> <p>Signed agreement</p> <p>None</p> <p>Funding documentation from GSDM</p> <p>List of GSDM Agricultural Projects</p>

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							<ul style="list-style-type: none"> <li>Siyasita Agricultural Cooperative Steynsdorp - during May 2013 and included those in the MRDI 2013/14 Business Plan</li> </ul> <p><b><u>Zamokuhle Vegetable Project</u></b> Identified needs</p> <p><b><u>EPWP Funding application</u></b> Forwarded 6 Business Plans to the PMU for assistance on the proposed projects. Forwarded applications to the provincial EPWP office for funding.</p> <p><b><u>Egumeni Makhosikati Program</u></b> Earmarked project for Tribal Authorities. Registered the following GSDM funded cooperatives: Nkaba, Mandlamakhulu Enikwakuyengwa</p>	<p><b><u>Zamokuhle Vegetable Project</u></b> Start-up kits will be supplied to the project in July 2013.</p> <p><b><u>EPWP Funding</u></b> No progress</p> <p>Awaited registration certificates of cooperatives</p>	<p>Process of registration as cooperative</p> <p>To do follow-up in this financial year</p> <p>None</p>	<p>Progress report</p> <p>Business Plans</p> <p>Registration Certificates</p>
		Promotion of the Masibuyele Emasimini in the municipality Proper implementation of Rural Development Program		800 ha at Glenmore and Tjakastad coordinate the ploughed and planted through the CRDP	CRDP: A stand-alone report on the CRDP progress report served before Council.		<p><b><u>Masibuyele Emasimini Program</u></b> <b><u>Back Yard Garden Projects</u></b> In November 2012, the Provincial House of Traditional Leaders and DEDET developed a Program with projects for local Traditional Councils. Forwarded list of applications for assistance to DARDLA</p>	<p><b><u>Masibuyele Emasimini Program</u></b> The Municipality was requested to assist with the registration of the identified cooperatives Registrations for the 2013 ploughing process closed on 30 June 2013</p>	None	Report on Masibuyele Emasimini Program
		Facilitation of economic opportunities Enforce implementation of CSI by mines. Mines reporting		Economic growth	Various CSI projects were proposed, of which the Badplaas Water Treatment Works was successful	Mines funding community identified projects	<p><b><u>Phembani Coal Asakheni Development Forum</u></b> Constructed 2 classrooms and an office block at Carolina Combined School; project hand-over was done in February and March 2013 respectively Renovated Silobela Old Age Home (an identified community project) funded by Rainbow Chicken Co</p> <p><b><u>Nkomati Mine High Level meetings</u></b> were held as per schedule to strengthen effective working relations; discussed vacancies in the Municipality; adverts for a SMME procurement system; introduced the</p>	<p><b><u>Phembani Coal Asakheni Development Forum</u></b> All task teams forwarded proposals to the potential funder Rainbow Chicken Company would fund the renovation of Silobela Old Age Home</p> <p><b><u>Carolina Mining Cluster</u></b> Projects identified for funding assistance were:</p>	<p><b><u>Nkomati Mine Funded Projects</u></b> Construction of</p> <ul style="list-style-type: none"> <li>the upgrading of Badplaas Community Centre, and</li> <li>the construction of Chief Malaza Pavilion</li> <li>the construction of Chief Malaza Pavilion, and Chief Mnisi Pavilion was in progress</li> </ul>	<p>1. Report on Phembani Coal funded projects</p> <p>2. Report on Nkomati Mine funded projects</p> <p>3. Report on Carolina Mining Cluster projects</p>

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							newly appointed General Manager	<ul style="list-style-type: none"> <li>Phase one of the E-Learning project; quotes were forwarded</li> <li>Local cooperatives to supply Toilet Paper, Protective Clothing, Stationery</li> </ul> Proposed Carolina Truck Inn		
							<u>Carolina Mining Cluster.</u> Projects were identified for assistance			
	Facilitate the establishment of a SMME support centre and training facility at Mayflower	Providing information on SMME development and capacitating SMME owners	R50 000 <b>0701/4459/0000</b>	One existing SMME support centre in Elukwatini	No report	Identify venue Source funding from agencies facilitate process	No progress	Venue was not found Funding was not available	Requested funding from DTI and other financial institutions for assistance	Requests for funding
		Development of SMMEs and co-operatives			No report		<u>Phezukomkhono Program</u> Job opportunities were created through the Program, responding to the local manifesto on job creation.	<u>Phezukomkhono Program</u> Workers were not paid since January 2013 and their contracts were amended without properly informing participants; the matter was pending. Submitted a draft plan of projects for implementation in 2013/14 to GSDM for final approval. Briefing of car wash projects was scheduled for 3 and 4 June 2013. None	<u>Phezu Komkhono Program</u> A list of proposed car washes to be assisted through the Program was drawn up with the Youth Officer. Projects would be launched at the end of May 2013	List of proposed car washes
							<u>SEDA Training</u> Conducted training on management skills for 9 cooperatives on 28 and 29 August 2012 in Carolina	None	None	Training certificates
							<u>Service SETA Training</u> Registration of the beneficiaries for training was done.	<u>Service SETA Training</u> The Program did not start due to the service provider who was still busy with logistics.	Follow-up made with service provider	Progress report

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							<p><b>MEGA Meeting: Building Conditions</b> Met with senior manager on 29 October 2012; conducted site visits at Mayflower, Dundonald and Elukwatini industrial sites.</p> <p><b>SANACO Conference</b> Assisted the Qalakancane Cooperatives with transport to attend the conference at the Birchwood Hotel in Boksburg</p> <p><b>DEDET Cooperatives Workshops</b> Workshops for all CRDP Cooperatives took place at Tjakastad on the 13-15 November and 27-29 November 2012.</p> <p><b>DEDET Business Survey</b> The department made a presentation on the proposed survey to gather information on existing businesses in Mpumalanga Province. STATSSA Enumerators would collect the data. A list of businesses existing in CALM was forwarded to the provincial office of DEDET</p> <p><b>DEDET Registration of Cooperatives</b> Received last of cooperatives certificates from the DEDET office.</p> <p><b>COP identified cooperatives</b> Assisted groups with the registration as cooperatives - Badplaas: Bambanani</p>	MEGA indicated that they would fund a small industrial park at Dundonald.	None	Correspondence from MEGA
							Assisted the Qalakancane Cooperatives with transport to attend the conference at the Birchwood Hotel in Boksburg	None	None	Conference Program
							Workshops for all CRDP Cooperatives took place at Tjakastad on the 13-15 November and 27-29 November 2012.	None	none	Attendance registers
							The department made a presentation on the proposed survey to gather information on existing businesses in Mpumalanga Province. STATSSA Enumerators would collect the data. A list of businesses existing in CALM was forwarded to the provincial office of DEDET	None	None	Copy of presentation List of businesses
							Received last of cooperatives certificates from the DEDET office.	None	None	Copies of Certificates
							Assisted groups with the registration as cooperatives - Badplaas: Bambanani	None	None	Registration documents
	Facilitate the establishment of a sewing centre in Silobela	Functional sewing centre, employment opportunities created Reduced unemployment	R50 000 0701/4459/0000	Co-operative registered and have experience in sewing	No progress	Monitor progress on renovation of municipal building	No progress	None	None	Progress report
<b>KPA: 4 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>										
<b>Facilitate the establishment of a tourism information centre in Badplaas</b>	Provide information on tourism Enhance tourism in the were a	Facility available at Manzana Cultural Centre	R50 000 0701/4459/0000	Facility available at Manzana Cultural Centre, Badplaas	Appointed service provider Erected information board	No target	No progress	None	None	Progress Report
<b>Promote tourism in the municipality</b>	Increase number of tourists to the were a Benefit SMMEs Improve profile of the were a Increase job creation	Benefit SMME'S Improve profile of the were a Increase job creation	R90 000 0701/4459/0000	Collect information on all tourism attractions in the Municipality Promote tourist activities in the Municipality	Collected data Visited tourism areas like Nkomazi Wilderness, Cradle of Life <b>Barberton Makhonjwa</b> The project was at a stand-still due lack of funding. Submitted an application to SADEC.	Accurate information on all tourism attractions in the Municipality	<p><b>Local Tourism Organisation (LTOs)</b> Gathered information on all tourist attractions. Article was published in Equino Magazine The Mpumalanga Tourism and Parks Agency formulated committees to oversee projects to implement within the municipality. The Municipality was represented on the committee. <b>Data Collection on Tourist Attractions</b> CALM Newsletter published tourist attractions in the June 2013 edition.</p>	<p><b>Local Tourism Organisation (LTOs)</b> The LTOs not established until after the formation of the regional tourism organization Collection of data on tourist attractions was in progress together with the Communications</p>	A Heritage Month feature article would be published in the August/ September 2012 issue of the Equino Tsogo Sun Hotel Group magazine.	Report

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
					<u>Other Tourism developments:</u> Attended a EIA meeting Cradle of Life for new proposed developments <u>Heritage Day Celebrations</u> Celebrated Heritage Day at Carolina Library on 23 September 2011 <u>Christmas Light Decorations:</u> Installed electric Christmas decorations in Carolina, Badplaas and Elukwatini as part of promotion of tourism and upliftment of community spirit. <u>LEDSA Magazine</u> Articles on tourist attractions around the municipality featured in the Magazine			Section. Visited areas in Ekulindeni, Elukwatini and Badplaas A Heritage Month feature article would be published in the August/ September 2012 issue of the Equino Tsogo Sun Hotel Group magazine. The areas that featured in the CALM Newsletter were: <ul style="list-style-type: none"> <li>• Inkhwace Park</li> <li>• Cradle Of Life Sanctuary</li> <li>• Goliath Footprint</li> <li>• Hlumu Lodge</li> <li>• Ndalo Hotel</li> </ul>		
<b>KPA 5 : MUNICIPAL FINANCIAL VIABILITY</b>										
<b>Empowerment of local emerging SMME's and cooperatives</b>	Obtain reports on awards to local SMME's and Cooperatives from SCM	Local SMME's and Cooperatives appointed	0	12	No report	3	Supported a number of SMMEs and Cooperatives	None	n/a	List of awards made to local SMMEs and Cooperatives
	Skills development	Better performance	0	10 permanent staff 4 learners	No report	3	10 permanent staff			Report
<b>Proper management of departmental finance</b>	Manage departmental finance in line with the Budget	Controlling the expenditure of the departmental budget Creating Income through Building Plan Fees and Subdivisions, Consolidations, Rezoning Disposal of Sites	Clean Audit	Manage the funds 100 building plans per annum 48 business premises inspected and approved	No report		Approved 95 building plans, incl Disaster Centre Received R76 099.30 for approval of building plans Conducted 51 building inspections Issued 2 occupation certificates			Reports List of building plans approved

## COMPONENT D

### COMMUNITY SERVICES

#### Introduction

This Department's core objectives included the provision of waste management and cleaning services; horticulture and maintenance of parks; cemetery services; library services; development of sport and culture, and recreational facilities; empowerment of youth, women and people with disability; HIV/AIDS; environmental health, and the general community development activities.

#### 3.11 WASTE MANAGEMENT

This Section included refuse collection, waste disposal, street cleaning and illegal dumping control.

Environmental and Waste Management were constitutional obligations in terms of Section 24 of the National Environmental Management Act of 2000, and also obliged a municipality to provide and manage their waste disposal according to certain standards.

The Municipality was faced with the challenge of providing waste management services in such that it had to deal with the legacy of unpermitted landfill sites, unclosed, and unrehabilitated landfill sites. The mounting operational expenses coupled with huge negative environmental risks and challenges posed by those sites, as well as other challenges to manage the generation of increased waste due to increased economic development, and mining and industrial activities within the Municipality, remained a big challenge.

The present households in the Municipality amounted to 44.237, both formal and informal. The number of households that received waste collection in the Municipality amounted to 12.853. The Municipality was able to provide this service in spite of limited resources.

Refuse was collected according to a schedule, once a week.

##### Major achievements included:

- Distribution of skip bins
- Installation of 'No Dumping' signs
- Construction of Elukwatini Landfill Site
- Increased number of beneficiaries of this service.

##### Major challenges included:

- Lack of household dustbins at informal settlements
- No access roads to informal settlements
- Inadequate maintenance of equipment for waste collection
- Unrehabilitated disposal sites and dongas that led to dumping spots
- Non-availability of funds for the construction of Badplaas Transfer Station
- Uncontrollable illegal dumping spots.

##### Progress made with waste disposal, street cleaning, and recycling:

- Waste disposal: Badplaas Disposal Site was licensed as a Transfer Station
- Elukwatini Landfill Site: Construction was done
- Carolina Disposal Site: funded for license/permit, it was then under EIA studies
- Distribution of household bins to new area (Silobela Extension 4)
- Existing Carolina Disposal Site was fenced
- Street Cleaning: 4.2km streets and main roads were swept daily
- Recycling: currently no recycling process, only monitoring of informal recyclers

##### Top 3 Service Delivery Priorities and the impact on them during the year:

###### *Waste Management*

- Ensured that the refuse removal and street cleaning services were properly operated and managed.
- Ensured that each household or property had a dustbin to be able to render an effective service.
- Minimised illegal dumping and littering
- Ensured that the refuse removal service in peri-urban and rural areas was rendered.
- Reduced land pollution by addressing illegal dumping
- Developed and implemented an Integrated Waste Management Plan.

##### Measures taken to improve performance and the major efficiencies achieved during the year:

- Legalised Badplaas Disposal Site
- Distributed dustbins and skip bins
- Erected "No Dumping" signs
- EIA studies for Carolina Cemetery, Carolina Landfill Site and Empuluzi Cemeteries were still in progress.

##### Identification and response to those communities that were living in poverty and were deficient in this basic service

- Skip bins were placed at strategic places for communal use in areas like informal settlements.

### 3.11.1 Waste Management - Summary of households with access to basic solid waste removal

The total number of households that received basic solid waste collection on a weekly basis was 12.853, which was around 27%. That service was also offered to people who earned not more than R1.100 per month.

### 3.11.2 Waste Management - Number of Employees

<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Number of Employees</i>	<i>Number of Posts</i>	<i>Number of Employees</i>	<i>Number of Vacancies (fulltime equivalents)</i>	<i>Vacancies (as % of total posts) %</i>
0-3	1	1	1	0	0
4-6	0	0	0	0	0
7-9	4	4	4	0	0
10-12	5	5	5	0	0
12-17	54	54	54	0	0

### 3.11.3 Waste Management - Capital Expenditure

<i>Capital Projects</i>	<i>Budget</i>	<i>Adjustment Budget</i>	<i>Actual Expenditure</i>	<i>Variance from original budget</i>	<i>Total Project Value</i>
Elukwatini landfill site construction	R4.300.000		R4.300.000		R4.300.000
Carolina landfill site, EIA studies	R2.000.000				R2.000.000
Compactor truck	R1.200.000	R 800.000		R1.200.000	R1.200.000

**WASTE MANAGEMENT**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/13	Target 2012/13	Actual Performance 2012/13			
KPA 1 : BASIC SERVICE DELIVERY										
Waste Management	Refuse removal services per week	Number of households with access to waste removal services	R5.900.381 0450/6009/0000 0450/3807/0000	12289 households per week	Increased refuse collection and serviced 12289 households in Carolina, Badplaas, Elukwatini, Ekulindeni and Silobela, and emptied skip bins Collected special removal at Doornkop Wildlife Reserve Monitored outsourced household refuse collection service in Empuluzi Monitored all areas, attended to all complaints promptly	15000 households per week	Increased refuse collection from 12289 to 12853 households and serviced Carolina, Badplaas, Elukwatini and Ekulindeni, and Silobela, and emptied skip bins Appointed a service provider from November 2012 for refuse removal at Empuluzi Conducted special refuse collection at Doornkop Wildlife Reserve at the prescribed tariffs Attended to all complaints and special waste removal	Breakdown of refuse collection vehicles Financial constraints Conducted 6 special waste collections on request Emptied 4 additional skip bins during the NCOP visit	Attended to all complaints and special waste removal Extended special refuse collection to Rainbow Farms (Pty) Ltd Increased refuse collection from 12289 to 12853 households.	Reports to Council
	Clean main and adjacent streets in business centres daily	Clean streets in business centres		4.2km streets in business centres swept daily	Swept 4.2km of streets in business centres Collected litter daily in Nhlazatshe Crossing, Empuluzi Complex and Carolina Town Beautified town entrances at Carolina Deweeded and cleaned streets in Carolina and Silobela Cleaned yards Appointed labourers, but needed more staff for visible and effective cleaning Overcrowding Street Traders was a challenge	4.2km streets in business centres swept daily	Swept 4.2km of streets in business centres Collected litter daily in Nhlazatshe Crossing, Empuluzi Complex and Carolina Town Deweeded and cleaned Tjakastad, and streets in Carolina Embarked on a special cleaning Program in December 2012 and focused on the main town areas. Collected litter along the Nhlazatshe road and around Badplaas town Controlled weed at major town entrances		Embarked on a special cleaning Program in December 2012 focusing on the main town areas.	Reports to council
	Increase access to the refuse removal service	Number of household refuse bins and skip bins distributed		12289 households serviced	Distributed household refuse bins in Carolina, Caropark and Patkamp. Distributed skip bins to all identified wards.	20	Distributed 39 household bins in Carolina and Silobela, and 20 skip bins to all identified wards. Distributed 130 refuse bins in a new were a at Silobela Ext 4. Erected 126 refuse drums to minimize			Reports



Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/13	Target 2012/13	Actual Performance 2012/13			
					Received 1000 refuse bins and 50 skip bins for distribution Conducted consultation on household refuse bins for Ekulindeni Service delivery depended upon the availability of equipment and staff Compactor Truck was not purchased due to financial constraints		littering in Carolina, Silobela and Fernie B taxi rank, and 5 more refuse drums to minimize littering in Carolina.			
	Control of illegal dumping	Number of sign posts erected; Reduction of illegal dumping		20	Removed and monitored several illegal dumps with the assistance of the CWP. Erected "No Dumping" signs at hot spots Signs were stolen in some areas Cleaned the wetland were a at Ward 22 Silobela (Echibini) with the assistance of the CWP	20	Removed and monitored several illegal dumps with the assistance of the CWP. Conducted environmental education in areas surrounding illegal dumping areas. Erected "No Dumping" signs at hot spots Attended to complaint of illegal dumping	Illegal dumps increased due to refuse removal trucks that broke down Only 1 TLB was available for removal of illegal dumping, as well as for digging graves, and cells at dumping sites in all units, removal of special waste and assisting other departments.	The CWP assisted with the clearing of illegal dumps Conducted environmental education in areas surrounding illegal dumping areas. Erected "No Dumping" signs at hot spots Attended to complaint of illegal dumping next to skip bins at Oshoek	Reports
		Number of dumping sites maintained		5 dumping sites	Excavated cells for burial of waste at all dumping sites.	5	Maintained 5 dumping sites weekly. Dug cells and compressed and buried waste	Monitoring of dumping sites was challenging due to continuous broken machinery, and most sites not being fenced Maintained disposal sites partially due to the challenge of broken equipment.	Fenced Carolina dumping site and effectively monitored	Reports
	Monitor pollution (air quality)	Reports reflected on monthly reports			Attended to complaints of air pollution at Silobela, Elukwatini, Patkamp and took corrective measures Attended meeting of Mpumalanga Air Quality Controller	As need arises	Conducted general observation of the air		Attended to a case of air pollution in Ward 15 Silobela and took corrective measures	Reports

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/13	Target 2012/13	Actual Performance 2012/13			
					The designated Air Quality Controller attended an Air Quality Workshop on the amendment of the section					
	Manage water quality	Number of water samples taken			Inspected water treatment plants and resolved challenges Collected 121 water samples for chemical, biological and physical testing, all results were satisfactory. Samples taken in Carolina showed improvement. Samples taken in Femie, Bettysgoed and Diepdale areas were affected with Ecoli and high Total Coliform, Conducted 2 water quality campaigns at Femie 2 Clinic and Femie 1 Collected milk samples for biological testing Collected food samples for testing Confiscated expired foodstuff with assistance of SAPS	Per need	Randomly tested water for quality assurance. Samples were collected at different levels of the purification process and tested at the GSDM laboratory.			Test results
<b>Cemeteries and Parks</b>	Maintain halls, parks, and recreational facilities	Number of halls, parks and recreational facilities maintained	R2.659.298 <b>0405/3807/0000</b>	15	Maintained several public facilities, sport grounds and adopted parks Cut grass, deweeded sidewalks, collected litter, maintained adopted spots and pruned trees at Badplaas, Carolina, Elukwatini and Tjakastad with CWP	15	Cut grass at Badplaas , Elukwatini, Mayflower, Carolina, Ekulindeni , Silobela Cleaned town entrances at Carolina and Silobela with the assistance of the CWP Pruned trees Attended to overgrowth at Oshoek Cultural Village Removed scrap vehicles from sidewalks in Carolina and Silobela. Conducted Arbor Day awareness celebration on 6 September 2012 and planted trees		Tree planting remains one of the most cost-effective ways of addressing climate change, as trees and forests play a vital role in regulating climate, since they absorb carbon dioxide.	Reports

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/13	Target 2012/13	Actual Performance 2012/13			
					Received and distributed 10 brush cutters to all units Decorated some open spaces at Tjakastad and Nhlazatshe used as parks Removed waste at areas with assistance of the CWP Greening of the municipality was aimed at beautification and mitigation of the effects of climate change. Planted 30 trees at schools and elsewhere The Honourable Executive Mayor, Council Whip, MMC: Community Services and MMC: Public Safety planted trees at the town entrance from Machadodorp on Arbor Day; and monitored and nourished newly planted trees Cutting of grass could not be done sufficiently due to dilapidated equipment and shortage of staff					
	Maintain Carolina airstrip	License certificate from Civil Aviation Authority	R23 000 <b>0317/4463/0000</b>	3	Maintenance of air strip was very costly Paid Airstrip License Discussed functionality of airstrip with Civil Aviation to assist with marketing Renewed Aerodrome License	Per need	Cleaned airstrip for CAA compliance inspection. No maintenance was done at the airstrip			CAA compliance report License

### 3.12 CEMETERIES

The Department was responsible for the provision of graves for burials to the communities in 6 municipal cemeteries. Maintenance of these cemeteries was also done by the Department.

There were also tribal cemeteries in the Municipality, which resulted in various challenges regarding the security and maintenance of those cemeteries. Fencing, toilets and water were some of the challenges that were faced in relation to cemeteries. Where those were installed, it was vandalised and stolen in no time. In the past several attempts were made by the Municipality to engage the Tribal Authorities with a view to secure available space appropriate for cemeteries and to have those fenced, but more often than not the fences were removed where it was installed.

However, graves were available in all Municipal cemeteries to needy community members to bury their loved ones.

#### 3.12.1 Number of Employees

<i>Cemeteries : Number of Employees</i>					
<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Number of Employees</i>	<i>Number of Posts</i>	<i>Number of Employees</i>	<i>Number of Vacancies (fulltime equivalents)</i>	<i>Number of Vacancies (as % of total posts)</i>
7-9	4	4	4	0	0
10-12	1	2	1	1	50%
12-17	5	7	5	2	29%

#### 3.12.2 Capital Expenditure 2012/13

<i>Cemeteries : Capital Expenditure 2012/13</i>					
<i>Capital Projects</i>	<i>Budget</i>	<i>Adjustment Budget</i>	<i>Actual Expenditure</i>	<i>Variance from original budget</i>	<i>Total Project Value</i>
Fencing	R1.200.000	R31.500	---	---	R1.200.000

## CEMETERIES

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of Verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : BASIC SERVICE DELIVERY										
Cemeteries	To maintain municipal cemeteries	Number of cemeteries maintained	6	R1.437.476 0405/3807/0000 0405/3807/0000	Maintained and monitored all municipal cemeteries Slightly extended cemeteries at Empuluzi Needed land for cemeteries Cut grass at Carolina cemetery with the assistance from CWP.	6	Maintained and monitored all 6 municipal cemeteries Granted permission for the exhumation and re-interment of the mortal remains of Barend Jacobus v d Merwe from Carolina Cemetery	Existing cemetery at Empuluzi was full Insufficient grass-cutting equipment	None	Reports Written request for and approval for exhumation
	To provide graves in municipal cemeteries	Number of available graves for burial	Per need (average of 60 per month)		Provided graves in municipal cemeteries weekly, although a challenge was experienced at Silobela Cemetery because of hard rocks that caused the TLB to break down. It was recommended that a new site was identified at Silobela 49 burials were facilitated	Per need	Provided graves in municipal cemeteries weekly The remaining space at Silobela Cemetery was too rocky. 491 burials were facilitated	Empuluzi cemeteries were full The remaining space at Silobela Cemetery was too rocky.	Planned to establish an alternate cemetery at Empuluzi	Reports Burial Orders
	Provision of basic funeral service for paupers	Number of pauper burials	Per need		No pauper burials were facilitated Experienced challenges with proven indigents who requested pauper burials	Per need	Facilitated 2 pauper burials	None	n/a	Reports and proof of investigation

### 3.12 ENVIRONMENTAL HEALTH SERVICES

#### Introduction

The Municipality only dealt with ensuring that compliance in terms of the applicable regulations and policies were complied with. There were challenges in dealing with all the environmental hazards, particularly littering, the disposal of waste, and fewer complying dumping sites.

The other was the control and monitoring of water pollution, and air pollution, which the District Municipality dealt with, while the Municipality concentrated on water quality sampling.

The Municipality also conducted awareness campaigns in order to inform the community about the dangers of degrading, and challenges posed by global warming and the effects that it posed, particularly to the poor communities and the poor regions of the world (Sub-Saharan Africa).

Communities were taught ways through which they could contribute to ensuring that the environment was given care and the fact that every effort and contribution counted in terms of making the environment better.

#### 3.12.1 Number of Employees

<i>Environmental Health : Employees</i>					
<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Employees</i>	<i>Posts</i>	<i>Employees</i>	<i>Vacancies (fulltime equivalents)</i>	<i>Vacancies (as % of total posts)</i>
<b>0-3</b>	1	1	1	0	0%
<b>Total</b>	1	1	1	0	0%

# ENVIRONMENTAL HEALTH

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Environmental Health Services	To enforce environmental health	Number of inspections conducted	60		34	40	Conducted 143 inspections of food premises, day care centres, hair salons, shops and disposal sites in Carolina, Silobela, Caropark, Elukwatini, Dundonald, Mayflower, Nhlazatshe		Conducted health education on keeping of hygiene Conducted a number of re-inspections	List of premises inspected
	To conduct environmental health awareness	Number of environmental health awareness campaigns conducted	0		0	2	7		Established Hawker's Forum at Carolina and would continue in other units for proper monitoring Conducted site visits for the Greening the Municipality Competition	Reports

### 3.13 LIBRARIES

The Department was responsible for the provision of library services to the community. This service was achieved through 6 operational libraries stationed at Badplaas, Carolina, Ekulindeni, Elukwatini, Empuluzi and Silobela. Those libraries were open from Monday to Friday from 08:00 to 16:00, and had books for most tastes and ages. The libraries were all connected to the internet.

A new library at Glenmore was in the process of construction for the 2013/14 financial year.

Whilst the majority of schools were rural, the Department was also responsible for the promotion of the few libraries that were available at those schools. The Section had to promote a culture of reading around those communities where libraries were situated, so that there was a good use of the few existing libraries. A number of campaigns were therefore conducted. A Memorandum of Understanding with the Department of Culture, Sport and Recreation was signed that would eventually avail a mobile library to the deep rural areas that did not have easy access to libraries.

#### 3.13.1 Number of Employees

<i>Employees : Libraries</i>					
<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Employees</i>	<i>Posts</i>	<i>Employees</i>	<i>Vacancies (fulltime equivalents)</i>	<i>Vacancies (as % of total posts)</i>
<b>4-6</b>	2	2	2	0	0%
<b>Total</b>	2	2	2	0	0%



# LIBRARIES

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation Steps taken	to improve the situation	Means of Verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Library Services	To promote a culture of reading in the community and schools	Number of Walk to your Library campaigns conducted	R1 398 485 0403/4467/0000 0403/6005/0000	8	Conducted 8 Walk to your Library campaigns at several schools Marketed and promoted Library at 5 schools Procured promotional material, developed implementation plan Visited 3 schools and supplied promotional material Visited Siyeta Primary School at Elukwatini to promote reading	8	Conducted 2 Walk To Your Library campaigns at 4 schools Conducted Library Orientation at 8 schools Conducted ccareer guidance at 2 schools Promoted reading at 3 schools and 1 crèche. Promoted the Library at 1 school and 1 private college. <u>Book Circulation</u> Adults - 636 Juniors - 533	Cash flow problem compromised the Walk to your Library Program No records for internet usage because there was no internet for some months.	Promoted Library during the Biodiversity and Water Day	Reports
		Number of research awareness conducted in schools / number of schools having access to libraries usage improved		18	Promoted research awareness at 3 schools and Empuluzi ABET Centre Conducted 4 research awareness events in all libraries on the following topics: Mpumalanga Tourist attractions, Zola Budd and Water Pollution	18	Conducted 10 research awareness campaigns at 5 schools Conducted SLIMS user group at Badplaas. Conducted research orientation at Elukwatini Library. Presented research on careers and transportation at Badplaas	Cash flow problem comprised the research awareness Program	Placed suggestion boxes in each library Conducted book selection for all libraries Conducted Library Community Survey at Khululwazi Library Attended team building organised by DCSR at White River	Report
	To provide library access to remote schools	Number of remote schools with access to libraries improved		5	Promoted library at 2 school Provided support to 5 schools Provided access to library to several schools and pre-schools Wrote letters to schools for orientation of libraries Visited 5 remote schools Supplied promotional material to schools	5	Shared books The mobile library was not ready from the DCSR	The mobile library was not yet ready from the DCSR		

### 3.14 COMMUNITY DEVELOPMENT AND TRANSVERSAL ISSUES

The Department was also responsible for community development and transversal issues in the Municipality. Those included programs for women, youth and people living with disability; moral development; HIV/AIDS program, and religious activities.

Empowerment activities for women, youth and people living with disability were conducted, including awareness campaigns against women and child abuse.

Religious groups such as pastors and traditional healers were also organised and supported. They formed key stakeholders during the moral regeneration activities.

The Department was also tasked with HIV/AIDS challenges. Various awareness campaigns were conducted to minimise the infection rate and to encourage voluntary testing. Condoms were distributed throughout the Municipality for infection control.

#### 3.14.1 Number of Employees

<i>Community Development and Transversal Issues : Employees</i>					
<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Employees</i>	<i>Posts</i>	<i>Employees</i>	<i>Vacancies (fulltime equivalents)</i>	<i>Vacancies (as a % of total posts)</i>
<b>4-6</b>	2	2	2	0	0%
<b>Total</b>	2	2	2	0	0%

**COMMUNITY DEVELOPMENT AND TRANSVERSAL ISSUES**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
HIV/AIDS Coordination	To provide support to HIV/ AIDS supporting groups	Number of HIV/AIDS groups supported	10	R200 000 0401/4503/0000	No report	10	10 groups were supported with logistics	None	n/a	Reports Pamphlets
		Number of health care teams supported	4		No report	4	Provided support to Silobela health care team	No report	No report	n/a
	To mobilise other stakeholders to help in the fight against AIDS	Number of organisations providing support in the fight against AIDS	1	0	Requested sponsorship in writing from Elukwatini Pick n Pay and Badplaas Forever Resort	1	6 organisations assisted during World AIDS Day celebrations 2 organisations assisted during a HIV/AIDS awareness campaign; Revived Local AIDS Council MTN SA Foundation conducted training on HIV/AIDS for 40 Local AIDS Council members at Badplaas from 20 to 21 November 2012 Distributed 6000 condoms at Head Office;	None	Revived Local AIDS Council MTN SA Foundation conducted training on HIV/AIDS for 40 Local AIDS Council members at Badplaas from 20 to 21 November 2012 Distributed 6000 condoms at Head Office	Reports
	To facilitate HIV/AIDS awareness for employees with HR	Number of HIV/AIDS workshops facilitated	12	0	No report	16	4	None	n/a	Report
People with Disability, Women and Youth	To support <u>people with disability</u> programs	Number of disability groups supported	1	R200 000 0401/4501/0000	No report	4	Provided 4 groups with administrative and logistical support Provided transport of Disabled People to Mbombela Parliament Supported Vulamehlo Disability Group with registration for DSD; Attended the Mpumalanga Disability Stakeholders Forum, presented the report and the draft plan.	None	Attended the Mpumalanga Disability Stakeholders Forum, presented the report and the draft plan.	Reports Minutes
		"Day for the Disabled" successfully celebrated	1		No report	1	Mobilised People with Disability to attend the Provincial Day for the Disabled	None	n/a	Reports
	To support <u>women empowerment</u> programs	Number of woman empowerment groups supported			No report	6	Held CALM Women Employees Seminar on 17 August 2012 Submitted request to SALGA to develop a draft strategy to address gender and women empowerment Convened visits to sectoral women-owned enterprises on key topical issues for development of women; Held Women Entrepreneurship Seminar at Tjakastad; Appointed 5 women-owned co-operatives to provide catering;	The Program for a Women Summit to adopt a Women Policy and strategy was scheduled for the 4 <sup>th</sup> Quarter	Held Women Entrepreneurship Seminar at Tjakastad Appointed 5 women-owned co-operatives to provide catering	Reports Approved Strategy on gender and women empowerment Approved Policy on Women

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
	To support <u>youth empowerment</u> programs	Number of youth empowerment groups supported from other stakeholders	0		No report	3	Facilitated funding of 3 Youth Centres by ABSA Launched Youth in Human Settlements Project at Mbhejeka on 13 November 2012 Participated in DARDLA'S Youth into Construction Program at Tjakastad Facilitated the participation of Rural Youth in the DARDLA Training Program Held Job Preparedness and Entrepreneurship Workshops at Glenmore, Carolina and Youth Advisory Centre and Tjakastad. Crafted draft Summit Working Document for adoption by the Youth Summit; Coordinated the establishment of the sanitary towel factory project with DSD and NYDA Held DSD population seminar for youth; Rendered Information Services to Sukumani Youth Centre in Diepdal and Phumalanga Youth Centre in Dundonald; Identified 15 Youths from youth centres to attend Gert Sibande Youth Skills Workshop on 26 March 2013; Conducted Youth Development Cooperatives awareness by DEDET;	Cash flow problem compromised the Youth-Owned Car Wash Program	Crafted draft Summit Working Document for adoption by the Youth Summit Coordinated the establishment of the sanitary towel factory project with DSD and NYDA Held DSD population seminar for youth Rendered Information Services to Sukumani Youth Centre in Diepdal and Phumalanga Youth Centre in Dundonald Identified 15 Youths from youth centres to attend Gert Sibande Youth Skills Workshop on 26 March 2013 Conducted Youth Development Cooperatives awareness by DEDET	Reports
<b>Moral Regeneration</b>	To provide support to the Moral Regeneration Movement	Number of forums supported	For all planned activities, 3=12 activities	R80 000 <b>0401/4426/0000</b>	No report	3	Conducted motivational talk at Gert Sibande FET College Sibanesetfu Campus; Support was provided by transporting Pastor Forum Committee to be registered as NPO.	No support provided to launch and support the Moral Regeneration Forum, and Pastors Sub-Forum due to transport problem and lack of finance	Support was provided by transporting Pastor Forum Committee to be registered as NPO.	Reports
		Number of <i>Back to School</i> campaigns conducted	4		No report	6	Campaigns were conducted at several schools quite effectively during the 3 <sup>rd</sup> quarter	Transport problem	<i>Back to School</i> campaigns were conducted more effectively during third quarter	Reports
		Number of <i>Anti-Drug Abuse</i> and <i>Anti-Teenage Pregnancy</i> campaigns conducted	4		No report	4	Conducted 2 campaigns	Budgeted, but cash flow problem	Improve planning	Report
	To commemorate	Successful event	1		No report	1	Commemorated	None	n/a	Report

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
	the "16 Days of Activism of No Violence Against Women and Children"						1 event successfully			
<b>KPA 3 : LOCAL ECONOMIC DEVELOPMENT</b>										
<b>Creation of Job Opportunities</b>	To create jobs through provision of Basic Service Delivery	Number of jobs created	6	0	No report	10	10 temporary jobs were created	None	n/a	Report
	To create jobs through outsourced services	Number of jobs created	6	0	No report	6	6 temporary jogs were availed through the outsourced service	None	n/a	Report
<b>KPA 4 : INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>										
<b>Learnerships and Bursaries</b>	To involve students and volunteers	Number of students and volunteers involved	2	0	2	6	2	Not many students applied to the department	We depended on the student learners who applied	Report
<b>Health and Safety</b>	To comply with health and safety policies	Number of health and safety meetings	0	0	2	6	6 - This was incorporated in the ordinary staff meetings	None	n/a	Report
<b>KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
<b>Financial Management</b>	To properly manage the departmental finances	Manage departmental finances in line with the budget	0	R... Vote 0317 Vote 0401 Vote 0403 Vote 0405 Vote 0411 Vote 0450		Sound financial management				Report

## COMPONENT E

### SPORT AND RECREATION

#### 3.15 SPORT AND RECREATION

The Department was also responsible for sport, art, culture and recreation in the Municipality.

The strategic objectives included the promotion of sport and culture development in communities, coordination of sport and cultural events, mobilisation of and canvassing support for sport and culture from the private sector, and the provision and maintenance of the sport facilities.

The role played by the Municipality in relation to this activity was to provide support and facilitation; that was because the Provincial Government is the main role player, while the Municipality provided support and co-ordination in terms of activities and also the provision of sport grounds.

The provision of play grounds remained a challenge, mainly due to the fact that there were few sports grounds in the Municipality that were in a good condition.

Some teams required good facilities, but maintaining it became a challenge as well.

<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Number of Employees</i>	<i>Number of Posts</i>	<i>Number of Employees</i>	<i>Number of Vacancies (fulltime equivalents)</i>	<i>Number of Vacancies (as % of total posts)</i>
0-3	0	0	0	1	0%
4-6	2	4	2	4	50%
7-9	11	22	11	11	50%
10-12	4	8	4	4	50%
<b>Total</b>	<b>17</b>	<b>34</b>	<b>17</b>	<b>20</b>	<b>-</b>

**SPORT, RECREATION AND CULTURE**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Sport, Recreation and Culture	To promote sports and culture development in the community	Number of sports and cultural events organised for the community	2	R150 000 0401/4507/0000	Hosted Learn and Play (school sport) event for learners from Carolina Circuit CALM participated in the Municipal Games at Gert Sibande District Municipality. Played Unit Mayoral Cup Games at Elukwatini and Empuluzi Played Mayoral Cup Finals at Ekulindeni Celebrated Youth Day celebration with sport at Silobela Attended District Sports Indaba	2	Played 2012 Mayoral Cup Finals at Elukwatini on 14 July 2012 The GSDM Mayoral Cup Games was hosted by Mkhondo Municipality on 11 May 2013 and CALM participated in the following codes: Soccer, ladies soccer. Volleyball, Basketball, Netball, Umrabaraba CALM Choral choir participated in the Mpumalanga Choral Music Competition and achieved 3 <sup>rd</sup> position.	n/a	Youth Day was celebrated with sport at Silobela Stadium Inter-departmental Workers Day was celebrated at Carolina Academy. CALM supported the Mayflower Youth Development Centre initiated a Fun Walk event initiated during Youth Month.	Report
		Number of coaching clinics organised	0		Identified 10 members from Circuit and community to attend rugby clinics	2	Service providers sourced to conduct coaching clinics A Netball Coaching Clinic was conducted at Badplaas Mpumalanga Sporting Academy conducted coaching clinics for Volleyball and Dibeke in Carolina on 27 November 2012	n/a	13 Netball umpires were identified and transported to attend training at Mkhondo Municipality on 2 March 2013.	Reports
	To support sport and culture bodies	Number of sport and culture bodies supported	3		Launched Arts and Culture sub-forums in all 5 units Launched Local Federations at Carolina, Tjakastad, Ekulindeni and Mooiplaas Re-launched Sports Committees at Etinkulungwane , Carolina, Oshoek Lochiel	3	Held Sports Council meeting at Elukwatini on 20 November 2012 Held an Art and Culture Festival at Ekulindeni on 28 September 2012 Organised 1 big cultural event in the first quarter Conducted workshop for youth performing arts groups at Siphumelele Teachers Centre, Elukwatini	n/a	Re-launched CALM Sports Council on 6 July 2012 at Badplaas Supported Sport Council meetings	Reports
					Launched Art and Culture Forum and registered as NGO; and Department of Culture, Sport and				Carolina Sports Committee Plan was drafted at a meeting on 18 January 2013 Organised transport	

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
					Recreation allocated R60.000 to their account Held Art and Culture Audition at Elukwatini Community Hall Held exhibition of cultural and indigenous arts at Badplaas				for Sports Council members to attend the Gert Sibande Regional Elective Sport Council meeting on 24 March 2013 Attended New NYDA Board Provincial Engagement 42 Art and Culture group members were transported to attend a workshop on funding at Ermelo on 6 March 2013	
	To mobilise other stakeholders and business to support sports	Number of organisations and businesses supporting sports and culture	1		Requested sponsorship from Elukwatini Pick n Pay and Badplaas Forever Resort	6	Drafted Integral Plan with the Mpuluzi Local Football Association at a meeting 29 January 2013. Attended Mpumalanga Boxing Promotion meeting at Graceland Secunda	n/a	CRDP tournament coordinated by DCSR was supported	Reports



## COMPONENT F

### PUBLIC SAFETY

#### 3.16 SAFETY AND SECURITY SERVICES

The main function of this Section was to ensure, promote and sustain the safety and protection of municipal buildings; and dealt with various guarding and monitoring the access control in all the Municipal buildings and offices. Security guards were deployed at strategic Municipal properties and were monitored by the Department.

#### 3.17 TRAFFIC SERVICES

The main function of this Section was to ensure safety for all road users through traffic control; and dealt with various patrol- and court duties, and traffic law enforcement.

The Traffic Law Administration Sub-Section rendered administrative support to traffic control by collecting traffic fines, and administering the execution of warrants and traffic summonses.

The Traffic Technical Sub-Section was responsible for the maintenance and erection of road traffic signs and markings.

##### 3.17.1 The strategic objectives of the department were as follows:

- To improve the quality of the service by providing more vehicles and manpower.
- To ensure that Traffic Officers were operating in all areas in order to reduce overloading and reckless driving.
- To assist with the provision of scholar patrols at strategic points to ensure the safety of children.
- To acquire specialised traffic control oriented vehicles and equipment.
- To reduce speed violations and promote traffic safety.

##### 3.17.2 Traffic Officers Service Data

Details	2011/12		2012/13	
	Estimated Number	Actual Number	Estimated Number	Actual Number
Number of road traffic accidents	80	80	90	155
Number of by-law infringements attended	0	0	10	10
Number of traffic officers in the field on an average day	8	8	10	10
Number of police officers on duty on an average day	n/a	n/a	n/a	n/a

##### 3.17.3 Traffic Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	0	0	0	1	0%
4-6	2	4	2	4	50%
7-9	11	22	11	11	50%
10-12	4	8	4	4	50%
Total	17	34	17	20	-

##### 3.17.4 Traffic Services - Capital Expenditure 2012/13

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Traffic Lights	R560 000	0	R560 000	0	R560 000
Speed Humps	R455 000	0	0	0	R380 000

### **3.17.5 Traffic Services - Achievements**

- Issued 4403 summonses n respect of various traffic violations
- Sent 3 Traffic Wardens for training
- Held 10 road blocks
- Served 22 warrants of arrest
- Performed 9 vehicle escorts
- Held 32 scholar patrols
- Provided 25 road markings
- Erected 54 signs
- Provided 4 Traffic Officers with subsidy vehicles
- Trained 5 Traffic Officers in the use of a fire arm
- Procured 5 strong safes for fire arms
- Procured 2 blue lights for subsidy vehicles
- Installed 2 traffic lights installed ( Elukwatini and Carolina)
- Erected 11 speed humps
- Approved 2 sites for taxi ranks (Carolina and Tjakastad).
- Facilitated 4 local transport meetings
- Procured 5 bullet proof vests

**PUBLIC SAFETY**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparison			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT										
Social Crime	To facilitate community safety forums meetings	Identify risk leading to crime	R0	One meeting per quarter	4	Four meetings annually	Held Community Safety Forum meetings on 8 August 2012; 5 December 2012; 6 March 2013; 23 March 2013	None	None	Attendance registers Report
Safety and Security	To safeguard Council assets and properties	Deploy security guards to various poll stations	R6 500 000 0507/4219/000	148 security guards	1173 security guards	173 security guards	Deployed 179 security guards, including reliefs Randomly visited and monitored the access control at all the municipal properties Attended 6 meetings	None	Increase budget	Reports Attendance registers
	To provide guard houses	Erect 10 guard houses	R450 000 0507/6007/0000	10 guard houses	31 guard houses	Procure and erect 31 guard houses	Erected 31 guard houses	None	Secure budget	Reports
KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Traffic Services	To enforce law	Number of road blocks conducted	R35 000 0511/1719/0000	8 road blocks	12 road blocks	12 road blocks	Issued 4403 summonses for various defects on vehicles; stopping and parking offences; safety belts; unlicensed vehicles; unroadworthy vehicles; speed enforcement Attended Court Executed 22 warrants of arrest Provided 4 escorts Carolina, Mpuluzi and Elukwatini Attended 7 meetings	None	Increase traffic officers	Summonses
	To provide and install robot/ Traffic lights	Reduction of traffic jams	R580 000 0511/6015/0000	4-way Stops	Two traffic lights	2 robots at Carolina and Elukwatini	Two traffic lights installed	None	Budget	Traffic lights
	To install speed calming measures	Identification of hot spots at strategic points	R455 000 0511/6015/0000	Decrease vehicles speeding	11 speed humps	Identify hot spots in all wards	Erected 11 speed humps .	None	Identify more hot spots	Speed humps
KPA 4 : LOCAL ECONOMIC DEVELOPMENT										
Support local economic initiatives	To ensure that locally procured goods and services were preferred	Number of projects through which LED was promoted	10% local suppliers	None	80% local suppliers	Procure as per MFMA	12% suppliers	None	Appoint More local supply	Report
KPA 5 : FINANCIAL VIABILITY AND MANAGEMENT										
Render effective management of finances of the department	To manage departmental finance as per MFMA policies	Procurement process as per MFMA	Procurement according to the provision of SDBIP	Manage budget	Manage departmental budget	Manage and spend budget as per planned and according to the provision of the MFMA	Managed the departmental budget in line with the SDBIP and budget and submitted reports to Council	None	More budget	Reports
	To enhance the financial viability of the municipality by ensuring collections of fines from offenders	Number of payables fines issued	None	New KPA	n/a	Monitor payments of fines	Managed revenue collected and submitted provincial share monthly and submitted reports to Council	Managed revenue collected and submitted provincial share monthly and submitted reports to Council	n/a	Report

### **3.18 LICENSING AND REGISTRATION SERVICES**

The main function of this Section was to register and license motor vehicles, examination of drivers and examination of vehicles ensuring adequate service delivery to the community through licensing.

#### **3.18.1 Strategic Objectives**

- To conduct learners license tests
- To conduct drivers license tests
- To conduct drivers license renewals
- To conduct registration and licensing of vehicles
- To conduct vehicle tests
- To perform eye tests and issue public driving permits
- To receive billboards permit payments.

**REGISTRATION AND LICENSING**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps Taken to Improve	Means of Verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : BASIC SERVICE DELIVERY										
Registration and Licensing	To coordinate and test learners licenses	Number of learners tested	R652 860 0509/6003/0000 0509/6005/0000 0509/6009/0000 0509/6007/0000	104	2496	2496	Tested 2328 learners	Due to the suspension of VTS we added more learners	VTS was working	Report
	To manage and test drivers licenses	Number of drivers licenses tested		106 drivers tested a month	1200	1440	Tested 2127 drivers licenses Renewed 691 drivers licenses	Additional due to the defective VTS	VTS operating	Report
	To install a brake roller machine	Effective and efficient vehicle test station	R420 000 0509/6009/0000	Old system	Compliant and operational VTS	Compliant and operational VTS	Installed brake roller machine Received Calibration Certificate	None	Tests would resume any time	Calibration Certificate

### 3.19.1 FIRE AND RESCUE SERVICES

The main function of this Section was to save lives and property by providing fire fighting and rescue services to the residents of the Municipality.

#### Functions of the Section

- Extinguish fires
- Extricate trapped victims from vehicles
- Stabilise incident scenes
- Clean spillages at incident scenes
- Rescue operations
- Enforcement of fire brigade by-laws
- Fire prevention inspections, building plan inspections, Risk assessments, public awareness campaigns, registration and inspection of hazardous installations and premises.

#### Strategic Objectives

- To protect lives and property and minimize the impact of incidents
- To ensure mitigation and emergency response to incidents.

### 3.19.2 Fire and Rescue Services Data

Details	2011/12		2012/13	
	Estimated Number	Actual Number	Estimated Number	Actual Number
Number of fires attended in the year	232	308	155	274
Number of incidents attended in the year	20	35	90	155
Average turn-out time (urban areas)	15 minutes	15 minutes	30 minutes	15 minutes
Average turn-out time (rural areas)	45 minutes	45 minutes	10-15 minutes	10-15 minutes
Number of fire fighters posts in the year	7	11	9	9
Number of fire appliances at year end	7	21	7	21
Average number of appliances off the road during the year	10	15	10	15

### 3.19.3 Fire and Rescue Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	0	0	0	1	0%
4-6	2	10	2	8	80%
7-9	9	29	6	23	60%
<b>Total</b>	<b>11</b>	<b>39</b>	<b>8</b>	<b>32</b>	

### 3.19.3 Fire and Rescue Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
4-6	0	6	2	4	2%
7-9	3	33	6	30	6%
10-12	2	12	2	12	2%
<b>Total</b>	<b>5</b>	<b>51</b>	<b>10</b>	<b>46</b>	

### **3.20 DISASTER MANAGEMENT**

The main function of this Section was to save lives and property by providing fire fighting and rescue services to the citizens of the Municipality.

Disaster Management was aimed at effective and economical utilisation of all material and personnel for the greatest benefit of and protection for citizens and their property during major incidents.

Strategic objectives:

- Disaster planning
- Risk assessment
- Awareness programs
- Consultation with stakeholders
- Disaster framework
- Mitigation process.

#### **3.20.1 Achievements**

- 339 disaster calls
- 501 blankets distributed
- 125 tents distributed
- Disaster Forum meeting held on 11 September 2012
- Provincial Disaster Forum attended on 31 October 2012

#### **3.20.2 Challenges**

- Functional Disaster Centre
- Staff and equipment
- Furniture
- Vehicles
- Communication System

**FIRE AND RESCUE SERVICES / DISASTER MANAGEMENT**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for Deviation	Steps Taken to Improve	Means of Verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : BASIC SERVICE DELIVERY										
Fire and Rescue	To provide fire and rescue services	Number of incidents attended	R0	215 calls	66 calls 4 house fires 85 fire calls 18 vehicle incidents 39 MVA calls 15 plans approved 21 meetings	Attend to all reported incidents within 5 to 15 minutes	27 house fires 14 veld fires 2 business fires 6 vehicle fires 2 tree fires 2 rubbish fires 1 spillage fire 2 electrical fires 2 office building fires 104 MVA calls 9 false calls	None	n/a	Reports
Disaster Management	To minimize disaster related issues	Review current risks at all wards	R676 553 0503/6037/0000 0503/4515/0000 0503/4429/0000 0503/4423/0000 0503/4485/0000 0503/4401/0000	Approved Disaster Plan	408 disaster calls 2 houses damaged by fire Identified risks in all wards Awareness campaigns	Attend to all reported incidents within 5 to 15 minutes	345 disaster calls 482 blankets distributed 116 tents distributed	None	n/a	Report
		Number of meetings attended	R0	Per invitation	No report	Per invitation	Attended meetings: Disaster Advisory Forum (DAF) on 11 September 2012 Provincial Disaster on 31 October 2012	None	n/a	Invitations



## **COMPONENT G**

### **CORPORATE SERVICES**

#### **Introduction**

This Department included:

1. Corporate policies, Executive and Council
2. Human resource services
3. ICT services
4. Legal services.

The Department played a crucial role in so far as coordination Of Municipal Departments were concerned.

Other functions of the Department were as follows:

- Provided secretariat to all Committees of Council;
- Advised Administration and its Political Structures on legal matters;
- Responsible for all HR matters for both councillors and staff;
- Responsible for the safekeeping of all records.

#### **3.21 COUNCIL AND EXECUTIVE**

This Section included the Office of the Executive (Executive Mayor, Councillors, and Municipal Manager), and dealt with Council support, organising and management of council business, rendering necessary support in terms of what Council needed in order to transact its business.

This Section also dealt with general administration of all council business.

Measures were taken to improve performance and the major efficiencies achieved during the year.

Service statistics for and performance of the Executive and Council.

- Four largest capital projects were prioritised
- Variations from the Budget for net operating and capital expenditure.
- Likely variation, if any, from the total approved budget value (arising from 2011/12 and/or previous year actual, or expected future variations).
- Confirmed that the 5-Year Targets set out in the IDP Schedule could be attained within approved budget provision, and if not, state how it was intended to rectify the matter.

#### **3.22 WORKPLACE SKILLS PLAN**

The percentage of the Municipality's budget actually spent on implementing its Workplace Skills Plan was 1%.

The total number of workforce as at 30/06/2013 = 435 (100%)

The total number of employees who received training = 121 (27.8%)

The amount received as training grants from LG SETA amount to R351.000.00.

## CORPORATE SERVICES

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION										
Customer Care Management	To conduct a customer care survey	Administrative support through notices and copies	0	None	June 2012	June 2013	Dealt with 578 complaints received from the community in all the administrative units	None	n/a	Customer survey forms.
Workplace Skills Plan / Learnership and Bursaries	To compile a compliant WSP; implement a Learnership program; and issue bursaries to staff and the community	Approved and adopted WSP; 93Learnership program implemented; list of bursaries issued	R346 000 0301/4523/0000	2011/12 WSP; Bursaries awarded in 2011/12	2011/12 WSP; Bursaries awarded in 2011/12	May 2013	Submitted WSP and ATR to LGSETA on 30 June 2012 Offered bursaries/ Learnership to employees: 25 x process controllers NQF Level 3; 9 x Reticulations (8 x doing NQF Level 2) 8 x completed Water and Wastewater Treatment NQF Level 2 3 x completed Local Government Accounting Certificate 2 x completed Municipal Integrated Development Planning 2 x completed Local Economic Development 28 x councillors and 1 official completed a Computer Program. Trained councillors and officials. Trained management on VIP Employee self-service for leave Compiled and submitted the Workplace Skills Plan and ATR on PIVOTAL training programs.	Budget set aside for capacity building was insufficient.	Lobby for more funds for training and development.	Report
Reduction of Vacancy Rate	To fill all vacant, funded prioritised positions at 100%	Organogram with new positions was approved	R130 000 0301/4405/0000	Number of positions were vacant and unfunded	June 2012	June 2013	Appointed 46 new employees Captured data of applications received Appointed a Chief Financial Officer and Director Technical Services	Some positions could not be filled due to budgetary constraints.	Sufficient provision be made on the budget.	Report List of employees appointed
	To implement the H R Strategy	Adopted and approved H R Strategy	R100 000 Internal		None	June 2013	H R Strategy was developed and approved by Council.	n/a	n/a	Council resolution.
	To implement the skills Retention Strategy	Adopted and approved Skills Retention Strategy	R0		None	June 2013	No Skills Retention Strategy in place.	No provision was made on the budget to cater for this expenditure.	Benchmark with other municipalities and request assistance form SALGA/COGTA	Council resolution.
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Employment Equity Plan	To review the outdated EEP	Reviewed and adopted EEP	0	Outdated EEP	June 2012	June 2013	Filed the EEA report with DoL electronically in January 2013. Submitted the Employment Equity Report for the 2011/12 reporting year	n/a	n/a	EEA report.
Formulation and Review of Policies	To review and develop new HR policies and Budget-Related Policies	Reviewed and developed HR and Budget related policies	0	Outdated policies; current policies	Outdated policies; current policies June 2012	June 2013	The LLF reviewed and approved 17 Human Resources Policies in September 2012. Council approved Finance Policies on 29 May 2013. Conducted workshop on HR Policies for officials in November 2012 and for councillors	n/a	n/a	Council resolutions

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							on 14 February 2013.			
	To promote labour peace in the sector	Sound labour peace between unions and employer.	0	LLF meetings/ disciplinary hearings.	Held 2 LLF meetings in the fourth quarter	June 2013	6 LLF meetings were held.	Some meetings did not sit and as result a quorum was affected.	Convene meetings as per the approved schedule of meetings.	Agenda and minutes
<b>Risk Management System</b>	To develop and implement an Operational Risk Management System	Adopted and approved Operational Risk Management ; Risk Assessment report; Risk Register	0	Approved Operational Risk Management and Risk Register	June 2012	March 2013	Developed an Operational Risk Register and submitted to the Chief Risk Officer.	n/a	n/a	Register Risk section Report to council
<b>KPA 3 : MUNICIPAL AND INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>										
<b>Organisational Structure</b>	To review the organizational structure and align it with the developmental trends of the Municipality	Reviewed and approved organizational structure	0	Approved 2011/20112 organizational structure	Approved 2011/20112 organizational structure	September 2012	Reviewed the organizational structure during the Strategic Planning session in May 2012.	n/a	n/a	Report
<b>Health and Safety Policy</b>	To comply with legislation and review Health and Safety Policy	Improved occupational health and safety	0	Draft OHS policy	Assisted 2 employees Referred 1 employee for counselling Conducted Occupational and Safety Information Session in third and fourth quarters	Approved and adopted policy by Council Safe workstation and tools	Consulted OHS representatives through the OHS Committee in August 2012 Tracked progress with SCM on distribution of PPE to comply with the OHS Act. Attended to 7 IOD cases (Technical Services, Empuluzi Unit, Elukwatini Unit) and reported to the Compensation Commissioner as required by COIDA Act. Attended to a safety hazard incident where an inspection and recommendations were submitted for action. Assisted an employee from Public Safety for counselling Vaccinated 6 employees against Hepatitis Received a request for medical examination of all employees exposed to hazardous chemicals, substances, biological agents, dust	None	n/a	Report
<b>Batho Pele</b>	To institutionalize Batho Pele Principles in the operations of the municipality	Adopted service charter and implementation	0	Adopted service charter and implementation	June 2013	Agendas, Minutes, Attendance Registers of respective meetings	The service standards for the Department of were approved during the Strategic Planning session of Council in May 2012. Appointed Batho Pele champions in all departments. Requested the Office of the Premier in writing for a workshop on the Batho Pele Principles for councillors Conducted consultative meetings on the 2013/2014 Budget and IDP in Ward 14, 15, 20, 21 and 25	Due to the financial constraints, no suggestion boxes were procured.	Quotations for suggestion boxes were sourced out. A schedule for consultation was drafted in respect of the by-laws approved by Council during the IDP/ Budget 2013/2014 financial year	Report Attendance registers
<b>Section 79 and 80 Committees</b>	To ensure regular Section 79 and 80	Agendas, minutes, attendance registers	1%	Regular meetings	No report	June 2013	Section 79 and 80 Committees met as per their respective schedules.	n/a	n/a	Report Schedule of meetings

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
	committee engagements	of respective Section 79 and 80 committees								Attendance registers
<b>Committee</b>	To ensure regular Committee engagements	Number of Portfolio Committee meetings held	R0	At least one Portfolio Committee Meeting per month	No report	At least one Portfolio Committee Meeting per month	12 Portfolio Committee meetings held	n/a	n/a	Agenda ,reports and minutes
<b>Portfolio and Mayoral Committee</b>	To ensure regular Portfolio and Mayoral Committee engagements	Number of Portfolio and Mayoral Committee meetings held	R200 000 <b>0101/4447/0000</b>	At least one Portfolio and Mayoral Committee Meeting each per month	12 Portfolio and 15 Mayoral Committee meetings	At least one Portfolio and Mayoral Committee Meeting per month	The following Mayoral Committee meetings were held in the Council Chamber, Municipal Offices, Carolina as per the schedules: 8 Ordinary 2 Extra-Ordinary 5 Special	The Ordinary Mayoral Committee Meeting was postponed to 2 May 2013 following the Strategic Planning Session held on 15 and 16 April 2013.	The ordinary Mayoral Committee meeting was rescheduled.	Agenda ,reports and minutes
<b>Municipal Council</b>	To ensure that the Municipal Council meetings were supported effectively	Number of meetings supported in terms of agenda minutes, resolutions implemented	R165 000 <b>0101/4447/0000</b>	At least one Council meeting supported bi-monthly		Support 6 meetings	The following Municipal Council meetings were held in the Town Hall, Carolina: 7 Ordinary 8 Special	n/a	n/a	Agenda, reports and minutes.
<b>Ward Committees</b>	To comply to regulations on establishment and functionality of ward committees	Launch Ward Committees; Program to capacitate ward committees	0%	Letters to Ward Committee members to align the current term of office to end on the day preceding the date set by the Minister for the 2014 local government elections	Agendas, minutes, respective Section 79 and 80 committees	Agendas, minutes, attendance registers of respective Section 79 and 80 committees	Launched Ward Committees in all 25 wards. Conducted an induction program during the Ward Committee Summit on functionality, roles, responsibilities, as well as capacity building, leadership, conflict resolution, the IDP and PMS Provided 3G internet connectivity to Ward Committee members Facilitated Basic Computer training course for all secretaries Supported ward committee meetings administratively by senior officials	n/a	n/a	Report
<b>Delegations Register and Council Standing Orders</b>	Review Delegations Register and Council Standing Orders aligning them with legislative mandates and good governance principles	Reviewed delegations register and Council Standing Orders; Council Resolution	3%	Reviewed and approved Delegations Register and Council Standing orders aligned with legislative mandates and good governance principles	No report	Reviewed delegations register and Council Standing Orders; Council Resolutions	Reviewed the Delegation Register and Standing Orders during the Council's Strategic Session in May 2012 Approved by Council Workshopped to councillors	The Delegation Register was approved by Council. The Council Standing Orders was workshopped to all Councillors and waiting for approval.	Table a report to Council with a view to approve the Council Standing Orders.	Council resolution Attendance registers.
<b>KPA 4 : LOCAL ECONOMIC DEVELOPMENT</b>										
<b>Local Economic Development</b>	Ensure that LED was promoted through preferential procurement practices	Render administrative support with contracts and tenders	10%	Administrative support with contracts and tenders	Monthly report	Monthly report	Local contractors were given jobs through the SCM processes in respect of catering and supply of materials. 6 Water Tanker contracts were concluded 20 VIP SLAs were concluded 1 SLA for robots was signed. Updated the contract register	n/a	n/a	Report /minutes

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							Attended to the requirements of the radio phones Compiled and signed the SLA for the delivery and installation of LCDs Reviewed all lease contracts on Municipal buildings Local contractors were given jobs through the SCM processes in respect of catering and supply of materials			
<b>Sustainable Job Creation</b>	Provide 10% of all projects in CALM linked to EPWP	Number of jobs created for youth, women and people with disabilities	5%	No report	Monthly report	Monthly report	Created 19085 jobs during this year	n/a	n/a	Report /awards
<b>KPA 4 : MUNICIPAL FINANCIAL VIABILITY</b>										
<b>Budget, Tariffs and Capital</b>	Develop a credible Adjustment Budget	Credible Budget	5%	An approved credible Adjustment Budget	Submitted and approved by Council	Council Resolution	Prepared and submitted the adjustment budget for the directorate to the Budget Steering Committee and Council for approval. Checked all votes for the directorate with a view to apply austerity measures.	n/a	n/a	Council resolution approving the adjustment budget.
	Develop a credible Adjustment Capital Budget	Credible Budget	None	An approved credible Adjustment Capital Budget	Submitted and approved by Council	Council Resolution	This will be attended to in January 2013. No activity during this month under review. The adjustment budget for the directorate was prepared and presented to the Budget Steering Committee and Council for approval. All votes for the directorate were checked with a view to apply austerity measures.	n/a	n/a	Report to council
	Develop a credible Draft Annual Budget	Credible Budget	None	An approved credible Draft Annual Budget	Submitted and approved by Council	Council Resolution	Compiled a credible budget with Circular 57 and 58 and was approved by Council in May 2013	n/a	n/a	Budget adopted by council /resolution
	Develop a credible Draft Capital Budget	Credible Budget	None	An approved credible Draft Capital Budget	Submitted and approved by Council	Council Resolution	Compiled a credible budget with Circular 57 and 58 and was approved by Council in May 2013	n/a	n/a	Report
<b>Management of Council Buildings</b>	Cleaning of Halls/ Offices	Number of halls booked	Revenue received from bookings of halls: R7782.04	Clean and presentable halls and offices	No report	All halls and offices cleaned on a regular basis	Erected palisade fencing at Silobela Offices by a service provider appointed through SCM processes. Total Bookings: 307	n/a	n/a	Report
<b>KPA 5 : BASIC SERVICE DELIVERY</b>										
<b>Maintenance of Municipal Buildings</b>	Maintain municipal buildings, offices	A number of buildings maintained	R800 000 <b>0313/6007/0000</b>	Sound financial management	No report	Maintained buildings	Maintained the gates during this quarter.	Limed financial resources	Sufficient provision be made on the budget.	Report
	Renovate municipal halls	A number of municipal halls renovated	R800 000 <b>0313/6007/0000</b>		Renovated halls	Renovated halls	Renovated Carolina Town Hall and Silobela Community Hall and were at 95% completion. The main gates at the Civic Centre were fitted with electric motors.	n/a	n/a	Report and payment certificate.

### 3.23 HUMAN RESOURCE SERVICES

This Section dealt with the general administration of all human resource issues and matters, including administration of human resource leave and the transaction of all the labour relation legislation and laws. It also oversaw the implementation of all the basic conditions of employment and the monitoring compliance thereof.

This Section was also charged with the responsibility of ensuring employee wellness as well as the implementation of employee discipline. Corrective steps were instituted against unacceptable behaviour; various disciplinary procedures were instituted against a few of the employees who were delinquent.

The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. The three highest positions were 100% occupied by the previously disadvantaged group. The total number of employees was 499, and 331 posts were occupied by people over the 35 years of age, whilst 156 posts were occupied by people below the age of 35 years.

#### 3.23.1 Human Resource Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	0	1	0	1	100%
Total	0	1	0	1	100%

#### 3.23.2 Human Resource Services - Capital Expenditure 2012/13

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	0

### 3.24 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This Section included: Information and Communication Technology (ICT) Services. This Section was also responsible for IT Governance in order to ensure that the IT wellbeing of the Municipality was secured and that the integrity of the information was also protected.

#### 3.24.1 Information and Communication Technology Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	0	1	0	1	100%
4-6	3	3	3	0	0
Total	3	4	3	1	25%

#### 3.24.2 Information and Community Technology Services - Capital Expenditure

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	0

### 3.25 LEGAL SERVICES

The Legal Services dealt with the legal guidance of the Municipality, and also the interpretation of all contract agreements, and also all litigations, and advised the accounting officer and Council accordingly.

The Section also offered advice on other administrative issues of the Municipality; and also by-laws and policies, and supported the Policies and By-laws Committee administratively.

- ***Drafting of By-laws and policies -***  
The Section drafted more than 13 By-Laws, and 5 of those were out on public participation.
- ***Drafting of contracts and contracts management -***  
The Section drafted more than 40 SLAs on all tenders awarded during the 2012/13 financial year.
- ***Handling legal matters in case of litigation -***  
The Section dealt with pleadings in litigation matters like the Grand Valley Estate, LRC or Silobela Concerned Group, and Erf 333 Badplaas, to mention but a few.
- ***Ensuring compliance with the Property Rates Act of 2003 with regard to the implementation of the valuation roll -*** The Section ensured that the supplementary valuation roll for 2012/13 was publicised in the newspaper for public comments.
- ***Providing legal advice to Council, Council Committees, the Executive Mayor, Municipal Manager and the departments.***
- ***Handling disciplinary cases.***

#### 3.25.1 Legal Services - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
03	1	1	1	0	0
4-6	0	0	0	1	1
7-9	1	1	1	0	0
Total	2	2	2	1	1

#### 3.25.2 Legal Services - Capital Expenditure

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	0

**LEGAL SERVICES**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparison			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 2 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Legal Instruments	To review and validate the authenticity of legal instruments.	Legal instruments reviewed and validated	R0	Council resolution	Submitted 4 by-laws to CoGTA for promulgation Control of Selling of Liquor By-law was in draft format CoGTA undertook to assist with 14 generic by-laws	June 2013	Reviewed 1 Delegation Register, 7 Finance Policies, 1 Standing Orders of Council, and 17 Human Resource Policies. The Policies and By-laws Committee considered/reviewed the Council Standing Orders	n/a	Council approved 5 draft By-laws, and taken out for public participation n/a	Council resolutions
Legal Guidance and Opinions	Provide high quality legal services and guidance to Council, MM and departments	Agreements signed; legal opinions given; legal representation done; legal claims submitted; legal notices and register of disciplinary processes instituted	R1 500 000 0301/4215/0000	Monthly reports and register		50% of all legal activities performed internally – June 2013	Received a summons in terms of the water carwashes, service provider – Lebea matter, on Erf 33 and others. POBs and Municipal Manager were given a legal opinion after having regard to the implications of the summons, to defend the matters. The directorate received summons in terms of the water carwashes, service provider – Lebea matter, on Erf 33 and others. POBs and Municipal Manager were given a legal opinion after having regard to the implications of the summons, to defend the matters. Provided advice and opinions – 11 claims against the municipality.		Attended to the pleadings in the litigation matters. Attended Court on the Mashonamini case and judgement was reserved. Attended Court on the Mashonamini matter and judgement was granted against CALM. Attended to the pleadings in the Erf 333 Badplaas matter.	Report Summonses and founding affidavits.
Contracts and Agreements	To oversee the processes of drafting of contracts and agreements.	Agreements/contracts drafted	0	SLAs in place		100% of agreements and contracts done in-house	95 SLAs were entered into by Council and service providers. 1 SLA for robots was signed. 20 VIP SLAs were done Drafted and signed the SLA for the delivery and installation of LCDs 6 Water Tanker contracts were done. Certain contracts extended for a month to finalise the bidding process Updated the contract register Attended to the requirements of the radio phones All lease contracts on Municipal buildings were reviewed	A draft lease contract for the Thusong Service Centre was done. 5 SLAs were drafted for the following service providers namely, Altimax, VAM, Alpheu Electrical, Lefwaso JV Mechvic and Monde	Updated the contract register by including all contracts awarded in the 2012/13	SLAs and contracts
By-Laws	To review and draft by-laws	Adopted and approved by-laws	R150 000 0301/4491/0000			June 2013	By-laws were reviewed and approved by Council, awaiting COGTA to promulgate them. COGTA provided 14 generic bylaws through the MWASA Program with a view to customise them to suit our needs, 13 Draft by-laws reviewed.	The Customised Generic By-Laws meeting was scheduled for 7 March 2013, but did not sit due to a quorum. A new date	The Credit Control, Street Trading, Electricity and Property Rates By-laws were considered by the Committee on 8 April 2013	Provincial Government Gazette



Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget 2012/13	Baseline 2012/13	Comparison			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							The draft by laws on Property Rates and Debt Collection were ready for consultation together with the budget.	was determined by the Administration in collaboration with the Office of the Chief Whip. Promulgation of the by-laws.	Credit Control, Street Trading, Electricity and Property rates by-laws were considered and approved by the Council on 29 May 2013. Identify a saving on the budget for the purpose of promulgating the by-laws. The process was at the consultation stage until 17 June 2013	

## COMPONENT H

### FINANCIAL SERVICES

#### 3.26.1 Core Functions of the Department

- Accounting
- Budgeting
- Revenue Collection and Debt Management
- Financial Management
- Treasury
- Supply Chain Management

#### 3.26.2 Services offered by the Department

- Identify and pursue opportunities in order to increase the revenue base
- Develop a set of specific performance measurements to ensure that budgets are spent effectively within the limits
- Develop, implement and monitor all budgetary processes, being capital and operational
- Develop and review procedures, by-laws and policies for the Department
- Review the tariffs for all services rendered by the Municipality
- Maintain debt reduction and financial stabilisation
- Ensure the rolling out of Free Basic Services
- Monitor the cash flow of the Municipality

#### 3.26.3 Services provided by the Department

- Amongst other functions, the Department is responsible for the management of all the financial affairs of the Municipality, advice to the Municipal Manager and the Municipal Council on financial management decisions, and to promote and monitor good financial government for the Municipality

#### 3.26.4 Services provided by the Sections

##### ***Budget and Treasury***

Responsible for monthly, quarterly reporting, and monitoring of the Budget

##### ***Income and Revenue Management Section***

- Provide a high quality and cost effective customer care service by reading meters in a cost-effective, accurate and timely manner
- Provide pay points in all Units and areas to enable easy access for the community to be able to pay for services
- Provide a customer care service and general queries
- Develop, monitor and distribute accurate and timely bills, thereby ensuring that all customers receive bills on time to ensure that the revenue base is improved through the payment of municipal services
- Review and implement the Credit Control, Debt Collection, Indigent, and Free Basic Services Policies of the Municipality

##### ***Budget and Treasury (Internal Services) Section***

- Ensure fiscal and financial responsibility
- Ensure that the Municipality has a sound fiscal plan to meet the current and future service delivery by budgeting for resources identified in the approved and adopted Integrated Development Plan (IDP)
- Provide for affordable tariffs for all services
- Develop and monitor all budgetary processes and provide for a budget plan
- Review and implement the Budget, Payment, Creditors, Tariffs, and Investment Policies of the Municipality
- Ensure prudent and sound cash and investment management of public finances to ensure that adequate financial resources are maintained to meet the Municipality's long-term financial needs

##### ***Supply Chain Management Section***

- Provide for demand management, acquisition management, logistical management, disposal management and risk management services for the Municipality
- Provide an effective, efficient, accurate and cost-effective store management system
- Provide a supplier and vendor data base
- Review and implement the Supply Chain Management Policy of the Municipality

## Introduction

In terms of Section 52 of the MFMA the mayor of a municipality must provide general political guidance over the fiscal and financial affairs of the municipality; in providing such general political guidance, may monitor and, to the extent provided in that Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; and must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.

Chief Albert Luthuli Municipality experienced cash flow challenges in February, March, May, and June 2013. Based on the financial statements as at 30 June 2012 the Municipality had creditors of R26.389.785, who were paid in the current year. The payments of R26.389.785 affected the cash flow for the current year, and R15.5 million was borrowed from the Investment portfolio before end of June 2012. The accruals were not cash-backed and they affected the budget for the 2012/13 financial year. Not all creditors were paid within 30 days after the receipt of an invoice in terms of S65(2)(e) of the MFMA. The Municipality lost interest on investment due to the withdrawals from the Investment Portfolio.

Revenue collection improved to an average of 94% as at 30 June 2013. Two debt collectors were assisting the Municipality in terms of collection of outstanding debtors. The Municipality conducted data cleansing and visited 7.221 household to ensure accurate billing. New accounts were created through the data cleansing exercise.

### 3.26.5 Financial Overview

<b>Statement of Financial Performance</b>			
	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actuals</b>
Property rates	31.180	31.180	31.158
Service charges	32.026	28.182	29.443
Investment revenue	1.750	1.750	1.758
Transfers recognised - operational	171.064	162.868	268.343
Other own revenue	10.725	10.667	30.540
<b>Total Revenue</b>	<b>246.744</b>	<b>234.646</b>	<b>361.242</b>
Employee costs	83.296	75.870	95.987
Remuneration of councillors	13.230	13.230	12.603
Depreciation and asset impairment	2.000	2.000	128.725
Materials and bulk purchases	17.158	26.790	31.363
Other expenditure	131.060	116.756	122.171
<b>Total Expenditure</b>	<b>246.744</b>	<b>234.646</b>	<b>390.849</b>
Surplus/(Deficit)	<b>(0)</b>	<b>-</b>	<b>(29.607)</b>

The increase in grant revenue emanates for the 100% spending on Municipal Infrastructure Grant (MIG), Financial Management Grant (FMG) and Municipal System Improvement Grant (MSIG). The other revenue increase is due to Assets donated from the Gert Sibande District Municipality that amounts to R10.732.760 and the interest earned on outstanding accounts that amount to R16.058.562.

Financial performance of the Municipality relates to its ability to use the economic resources available in a profitable manner and how well it managed to generate considerable cash flows by consuming such resources. The Municipality had a deficit of R29.606.739, which mainly was affected by the non-cash items, the depreciation of R94.508.594, and debt impairment of R34.216.243.

<b>Income</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>
Grants	171.064	162.868
Taxes, Levies and Tariffs	63.205	59.361
Other	12.475	12.417
<b>Sub-Total</b>	<b>246.744</b>	<b>234.646</b>
Less Expenditure		
<b>Net Total [surplus/(deficit)]</b>		

### 3.26.6 Operating Ratios

The Employee related costs is below the 24.54% of the actual expenditure incurred in 2012/13 financial year.

<i>Details</i>	<i>%</i>
Employee Cost	24.54%
Repairs and Maintenance	8.02%
Finance Charges and Depreciation	33.30%

### 3.26.7 Total Capital Expenditure

<i>Detail</i>	<i>2011/12</i>	<i>2012/13</i>
Original Budget	R126.765	R132.916
Adjustment Budget	R143.416	R101.719
Actual	R 82.673	R100.279

### 3.26.8 Financial Services - Number of Employees

<i>Job Level</i>	<i>2011/12</i>	<i>2012/13</i>			
	<i>Number of Employees</i>	<i>Number of Posts</i>	<i>Number of Employees</i>	<i>Number of Vacancies (fulltime equivalents)</i>	<i>Number of Vacancies (as % of total posts)</i>
0-3	4	4	4	0	0
4-6	17	17	17	0	0
7-9	6	6	6	0	0
10-12	15	15	15	0	0
<b>Total</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>0</b>

### 3.26.9 Financial Services - Capital Expenditure

<i>Capital Projects</i>	<i>Budget</i>	<i>Adjustment Budget</i>	<i>Actual Expenditure</i>	<i>Variance from original budget</i>	<i>Total Project Value</i>
PROJECT A NONE	None	None	None	None	None
PROJECT B NONE	None	None	None	None	None
PROJECT C NONE	None	None	None	None	None
PROJECT D NONE	None	None	None	None	None

**FINANCIAL SERVICES**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : BASIC SERVICE DELIVERY										
Free basic services	To provide free basic service to indigent community	Number of indigent households registered for free basic services	Free basic service to indigent community	R19 000 000 0450/4333/0000 0630/3333/0000 0640/3333/0000 0650/3333/0000	Submitted monthly report to Mayoral Committee	5000	6584 registered indigents were benefiting Continued with registration in-house	High unemployment rate	Continue with the registration process	Indigent register
KPA 2 : LOCAL ECONOMIC DEVELOPMENT										
Creation of job opportunities	To ensure that LED was promoted through preferential procurement practices	Number of contracts and tenders awarded which went to Broad Based Black Economic Empowerment (BBEes) on procurement of goods and services		None	No report	Tender / contract awarded	Facilitated LED Workshop on tendering for SMMEs/BBBEEs	Awarded 6 tenders to companies who were regarded as non-BBBEE compliant; their BBBEE level could not be verified because the required certificates were not submitted.	Awarded 125 tenders to BBBEE Level 1 to Level 3 All companies BBBEE certificates were attached with their quotations	Reports Tender documents
KPA 3 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Public Participation	To institutionalize Batho Pele principles in the operations of the Municipality	Adopted service charter and implementation	Draft Batho Pele Service Delivery Charter	R0	No report	100% compliance with Batho Pele principles	Signed and posted the departmental service delivery charter on the website	None	Finance staff complied to the Charter	Municipal Website
Implementation of all Financial Policies	To implementation all Budget-related and other financial policies	% implementation and compliance of approved policies and regulations	80% compliance	R0	No report	100% implementation of SCM policy and regulations	4 quarterly supply chain reports submitted to the Accounting officer, reviewed the following policies credit control and debt collection policy, supply chain management policy, indigent policy and SandT policy	Deviations were reported monthly to Council	Appoint stand by contractors.	Council resolutions
Implementation of all Financial Policies	To achieve total compliance with the requirements of the MFMA	Number of reduced audit queries	80% compliance	R400 000 0201/4223/0000	An action plan for addressing all issues raised by the Auditor-General was developed and presented it to Strategic Planning and the Audit Committee. A number of critical issues were addressed.	Clean Audit 2014, unqualified audit	Verified all payment vouchers for the 2012/13 financial year Prepared a progress report on audit findings	Capacity in terms of policy developments	Skills retention policy developed.	AG action plan report
KPA :4 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION										
Customer Care Survey	To conduct a customer care survey	Customer Care Survey Report		R100 000 0220/4501/0000	No report	8000 people visited	Visited 7221 households and businesses at Ekulindeni,, Elukwatini and Empuluzi Updated information on the financial management system	None availability of households	Continue with the data cleansing, debt collects to assist with data cleansing.	Survey forms submitted and new accounts opened.

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							Created 125 new accounts			
<b>KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
<b>Budget Management</b>	To develop a credible and realistic adjustment budget	Approved adjustment Budget	Approved adjustment budget for January 2012	R0	Completed in Q3 Adjustment budget for 2011/12 to be approved by Council by 31/01/2012	Approved adjustment budget for 28 February 2013	Adjustment budget by council on 30 <sup>th</sup> of January 2013	None	None	Council resolution
	To develop a credible annual budget for 2013/14	Approved draft and final budget with budget related policies and tariffs	Approved budget and budget related policies and tariffs for 30/3/ 2013 and 31/5/2013	Approved budget with all related documents on 31 March 2012 and 31 May 2012	Council approved the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) Implementation Plan by 31/07/2011 Council approved the Revised Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) Implementation Plan in July 2011 Council approved the draft Multi-Year Budget for 2012/15 in principle by 31/03/2012 Council approved the Multi-Year Budget for 2012/15 by 31/05/2012	Credible annual budget for 2013/14	Submitted IDP/Budget Process Plan to Council and Treasury Finalised Draft Mid-Year Performance in January 2013 Council approved the Adjustment Budget on 30 January 2013 Council approved the Draft Budget for 2013/16 on 30 March 2013 Council approved the Budget for 2013/16 financial year approved on 30 May 2013 Conducted Budget consultation meetings for 2013/14 financial year	None	None	Council resolution
<b>Increased revenue base</b>	To implement the credit control and debt control policies to increase payment level	Increased revenue by R8.5m	Increased revenue collection to minimum of 65%	50% collection	No report	Increase the revenue collection to minimum of 65%	Ensured that revenue collection was improved by enforcing the Credit Control and Debt Collection Policy Handed over accounts to the appointed legal firm for collection Average 64% for Q1 (2012 Jul 74%; Aug 2012 80%; Sep 2012 59%) Average 63.67% for Q2 (2012 Oct 60%; Nov 70%; Dec 61%) Average 63.33% for Q3 2013 (Jan 70% ; Feb 55%; Mar: 65%) Average 81.67% for Q4 (2013 Apr 74%; May 77%; Jun 94%)	None	None	Monthly Reports
<b>Supply Chain Management</b>	To review the SCM Policy and strengthen the functionality of the unit	% implementation and compliance of approved policy and regulations	90% compliance	R0	Submitted monthly report to Mayoral Committee	100% implementation of SCM policy and regulations	Implemented 90% of the SCM Policy Incurred many deviations for accommodation Incurred deviations for repairs and Kept register for all deviations for proper disclosure at the end of the financial year.	MD4 form not attached to all tender documents	Verification of completes of tender documents	Council resolution

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Baseline 2012/13	Budget 2012/13	Comparisons			Reasons for deviation	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
							Reported all deviations to Council Policy reviewed			
<b>Fixed Asset Management</b>	To formulation of asset management policy, updating of asset register as per according standards	Compliance asset register that comply with GRAP 17	GRAP asset register in place but still need corrections	R680 000 <b>xxx</b>	No report	Updated and compliance asset register that comply with GRAP 17	Appointed service provider to update assets register	Corrupt movable assets register file	It was corrected on 18 September 2013	Asset Register
<b>Financial Reporting</b>	To submit monthly Section 71 report	Number of Actual income and revenue reports submitted to all statutory bodies within the due dated	Done on monthly basis		No report	Reports submitted within 10 working days	Submitted S71 reports from July to June 2013 Submitted MFMA Implementation Priority, Long Term Contracts, Borrowing Monitoring and Municipal Entity to National Treasury Ensured accuracy in terms of the information submitted to National Treasury	August 2012 S71 was not submitted within ten workings days.	Ensure that month end was done at the end of month.	S71 reports
<b>Monthly Billing</b>	To ensure sound financial management	Reduced queries on accounts rendered	Average of 30% queries received on monthly accounts		No report	Reduce queries to 10%	reduction of queries	None	Prepared journals to rectify incorrect readings	Journals
<b>Revenue Enhancement</b>	To increase the revenue base	To have accurate data for billing	70% accurate data	R500 000 <b>0220/4501/0000</b>	No report	Implemented revenue enhancement	65% accurate data	Incorrect information captured on the FMS	Continued with data cleansing at all wards	Surveys Form
<b>Payment of creditors</b>	To ensure that creditors were paid within 30 days	Number of days taken to pay creditors	Between 30-40 days		Submitted monthly report to Mayoral Committee	Within 30 days	Monitored Invoice Register Submitted all payment requests submitted on time within 30 days after receipt of a valid tax invoice Implemented the Audit Action Plan The Municipality had cash flow challenges hence some payments were delayed, not all payment requests were paid within 30 days due to cash flow challenges	Cash flow challenges	Proper cash flow projections to be implemented	Purchase vouchers,

## COMPONENT I

### OFFICE OF THE MUNICIPAL MANAGER

#### 3.27 INTERNAL AUDIT UNIT

##### Introduction

In terms of section 165 of the MFMA, Internal Audit must submit a functionally report to the Audit Committee on the implementation of the Risk Based Internal Audit Plan. Furthermore, in terms of Section 166 of the same Act, the Audit Committee must at least meet four times a year, which required at least one meeting per quarter. It followed then that the Internal Audit Unit reported to the Audit Committee quarterly regarding its performance against the annual Internal Audit Plan, to allow effective monitoring and possible intervention.

Standard 1100 required the Chief Audit Executive to have a dual reporting relationship to the Audit Committee and the Municipal Manager in order to achieve organisational independency.

Section 7.1.2.3 and 7.1.2.4 of the King III Report on the Code of Governance, requires Internal Audit to systematically analyse and evaluate business processes and associated controls; and provide a source of information as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities.

##### Areas covered by the report:

- Planned audits according to the operational plan
- Budgeted hours
- Actual hours
- Audit planning and reporting
- Actual audits and reporting dates
- Challenges and remedial action

##### 3.27.1 Capital Projects

<i>Capital Projects</i>	<i>Budget</i>	<i>Adjustment Budget</i>	<i>Actual Expenditure</i>	<i>Variance from original budget</i>	<i>Total Project Value</i>
PROJECT A NONE	None	None	None	None	None
PROJECT B NONE	None	None	None	None	None
PROJECT C NONE	None	None	None	None	None
PROJECT D NONE	None	None	None	None	None



**QUARTERLY REPORT ON APPROVED INTERNAL AUDIT PLAN - PROJECTS FROM PREVIOUS YEAR 2012/13 PLAN**

Ref No.	Directorate/Section	Risk identified by management and or internal audit	Audit name	Audit Period	Audit Objective	Actual performance in current year	Reasons for deviations	Steps taken to correct situation	Means of verification
0001	Finance	Reliability of financial information as contained on Annual Financial Statements	Audit of Annual Financial Statements	15-29 August 2012	<ul style="list-style-type: none"> <li>Reliability of opening balances</li> <li>Accuracy of balance sheet items.</li> <li>Completeness of disclosure requirements</li> </ul>	Not audited, however consulting work was performed in ensuring smooth running of annual audit and appropriate support. Submission of Annual Financial Statements was late beyond the anticipated completion date.		Not audited, however consulting work was performed in ensuring smooth running of annual audit and appropriate support.	Report
0002	Office of MM	Reliability of information and Compliance with statutes by Annual Report	Audit of Annual Report	15-29 August 2012	<ul style="list-style-type: none"> <li>Reliability of achievements</li> <li>Compliance with statutory requirements of Annual Report</li> </ul>	With 5 Critical Findings Time constraints led to late completion Actual Completed on 30 October 2012.			Report On Findings
0003	Office of MM	None functional PMS, Inadequacy of measurements in planning and reporting as well as unreliability of reporting	Audit of Performance Measurements Q1	1-31 October	<ul style="list-style-type: none"> <li>Adequacy of planning and reporting measurement</li> <li>Reliability of reported information,</li> <li>Functionality of PMS</li> </ul>	Completed		In reporting Commitments of both internal audit and management due to annual audit of annual financial statements.	Report
0004	Technical Services	Inadequate purification and maintenance of water	Audit of Water Supply Management System	1-30 November 2012	<ul style="list-style-type: none"> <li>Adequacy of maintenance plans,</li> <li>Efficient supply plan for increasing population,</li> <li>Safe guard of extraction streams</li> </ul>	Management Completed	In reporting Non-availability of management and information alike		Report
0005	Office of MM	None functional PMS, Inadequacy of measurements in planning and reporting as well as unreliability of reporting	Audit of Performance Measurements Q2	5-31 January 2013	<ul style="list-style-type: none"> <li>Adequacy of planning and reporting measurement</li> <li>Reliability of reported information,</li> <li>Functionality of PMS</li> </ul>	Completed Non-availability of Management and information alike	In Execution Non-availability of Management and information alike		Report
0006	All departments in such a need	Consulting Engagements on Areas where internal controls were lacking	Consulting Engagements on Areas where internal controls were lacking	5-31 January 2013	Consulting Engagements on Areas where internal controls were lacking	Completed Follow up on AG's queries Systems of revenue and debtors' management remain a challenge as well related reconciliations		Follow up on AG's queries Systems of revenue and debtors' management remain a challenge as well related reconciliations	Report
0007	Finance: Income and Revenue	Inability to maximize revenue collection	Audit of revenue management systems	1-28 February 2013	<ul style="list-style-type: none"> <li>Adequacy of enhancement strategy and functionality thereof</li> <li>Adequacy of management of individual debtors,</li> <li>Usefulness of service</li> </ul>	Completed			Report

Ref No.	Directorate/Section	Risk identified by management and or internal audit	Audit name	Audit Period	Audit Objective	Actual performance in current year	Reasons for deviations	Steps taken to correct situation	Means of verification
					providers' work in collecting optimally • Achievement of 2:1 liquidity ration				
0008	Finance	Reliability of financial information as contained on Interim Financial Statements	Audit of Interim Financial Statements	1-28 February 2013	<ul style="list-style-type: none"> <li>• Reliability of opening balances</li> <li>• Accuracy of balance sheet items.</li> <li>• Completeness of disclosure requirements</li> <li>• Completeness of financial transactions for the period</li> </ul>	Not audited Management did not compile these IFS	Not audited Management did not compile these IFS		Report
0009	Finance: Expenditure	Ghost employees, unregulated deductions, spending pattern in relation to municipal spending and excessive overtime payments	Audit of Salaries Management Systems	1-31 March 2013	<ul style="list-style-type: none"> <li>• Validity of personnel on payroll</li> <li>• Cut-off on salary payments after resignation dates,</li> <li>• Compliance of salary portion of total budget</li> </ul>	Not started		Shift in the plan to assist in readiness for the audit. Assisted in planning for Regulatory audit	Report
0010	Finance	Compliance with conditions of grants	Audit of compliance with DoRA	1-31 March 2013	<ul style="list-style-type: none"> <li>• Compliance with conditions of grants</li> <li>• Timely submission of reports to relevant stakeholders</li> </ul>	Not started Shift in the plan to assist in readiness for the audit. Assisted in planning for Regulatory audit		Shift in the plan to assist in readiness for the audit. Assisted in planning for Regulatory audit	Plans
0011	Office of MM	None functional PMS, Inadequacy of measurements in planning and reporting as well as unreliability of reporting	Audit of Performance Measurements Q3	1-30 April 2013	<ul style="list-style-type: none"> <li>• Adequacy of planning and reporting measurements,</li> <li>• Reliability of reported information,</li> <li>• Functionality of PMS</li> </ul>	Completed Inadequacy of planning	Inadequacy of reporting, Supporting documents not kept Non-alignment of SDBIP with IDP		Report
0012	Finance: SCM	Assets register not updated and monitored	Audit of Assets Management System	1-30 May 2013	<ul style="list-style-type: none"> <li>• Accuracy of updating of assets register</li> <li>• Timeliness of updating of assets register,</li> <li>• Completeness of recording ito assets register and FMS</li> <li>• Adequacy of assets management policies,</li> <li>• Compliance with GRAP statement 17</li> </ul>	Asset register was yet to be reconciled.	Not audited Asset register was yet to be compiled		Report
0013	Information Communication Technology	Reliability of information produced by FMS and VIP, linkage between	Audit of Information Communication Technology Systems	1-30 May 2013	<ul style="list-style-type: none"> <li>• Reliability of information produced by FMS and VIP ito</li> </ul>	Could not be undertaken due to insufficient funding by the Municipality	Could not be undertaken due to insufficient funding by the Municipality		Budget

Ref No.	Directorate/Section	Risk identified by management and or internal audit	Audit name	Audit Period	Audit Objective	Actual performance in current year	Reasons for deviations	Steps taken to correct situation	Means of verification
		systems and efficiency of use of both systems.(Application con			Financial Accounting, Fixed Assets, Expenditures, Inventories, Revenue and Payroll(Business Cycle Controls BCC)- Co-source <ul style="list-style-type: none"> <li>Linkage between the two systems- (Co-source)</li> <li>Duplication of applications by the two systems, - (Co-source)</li> <li>Efficiency in usage of the two systems, - (Co-source)</li> <li>Relevancy of application software operation on hardware (General Computer Controls)(In house execution)</li> </ul>				
0014	Finance: Supply Chain Management	Fraud and Corruption within the System, irregular and fruitless expenditures.	Audit of Supply Chain Management System	1-30 June 2013	<ul style="list-style-type: none"> <li>Fairness and transparency of SCM processes</li> <li>Compliance to thresholds amounts on order and bid awarding</li> <li>Completeness of SCM transactions to FMS</li> <li>Validity of delivery of goods ordered or tendered for</li> <li>Validity of status of registration by service providers in SP data base</li> </ul>	Completed Service provider not screened for their status of prohibition and competency Not all tenders documentation could be presented for audit purposes Irregular Expenditure in that order not attached with three quotations Lack of rotation of suppliers. Non-compliance No proof of evidence that tenders were advertised on the Municipal Website.			Report
0015	Office MM	None functional PMS, Inadequacy of measurements in planning and reporting as well as unreliability of reporting	Audit of Performance Measurements Q4	1-31 July 2013	<ul style="list-style-type: none"> <li>Adequacy of planning and reporting measurements,</li> <li>Reliability of reported information,</li> <li>Functionality of PMS</li> </ul>	Not audited	As per audit committee's request to audit portfolios of evidence prior to performance evaluation		
0016	PED	Failure to develop a credible IDP document	Follow-up on Audit of IDP Process Plan	1-31 July 2013	<ul style="list-style-type: none"> <li>Determine status of implementation of recommendations</li> </ul>	Not audited As per audit committee's request to audit portfolios of evidence prior to performance evaluation			Report

i. **Training/Workshops**

Internal Audit staff attended a number of trainings and/ or workshops during the period being reported on. The Table below served as an example:

No.	Training/workshop	Convener	Officials attended	Date of training/ workshop	CPD Hours
1.	Tools and techniques for the internal auditor-block 2 (TTB2)	Institute of Internal Auditors	S R Makhanye M S Magagula V T Sibanyoni	27-08-2012	40
2.	Risk Based Auditing	Institute of Internal Auditors	S R Makhanye M S Magagula M W Hlatshwayo		

ii. **Committee Consulting (Advisory)**

The Head of Internal Audit or the person designated by him attended Risk Management Committee, Top Management Committee, and Management Committee Meetings in an advisory capacity and Mayoral Committee and Council meetings on observation basis.

iii. **Human Resources : Recruitment and Retentions**

The transfer an internal auditor trainee to the Finance Department took place and he was not responsible to review any operation during this period.

The position of a Chief Audit Executive was vacant while being funded, and we proposed a relocation of funds to fill the positions of Internal Auditors on post level 5 in order to enhance performance of internal audit operations and to avoid ineffective use of financial resources.

The Table below illustrates the number of staff as per the unit structure currently in the Unit:

No.	Approved Posts	Incumbent	Status	Funded
1.	Director: Internal Audit	-	Vacant	Yes
2.	Manager: Internal Audit	Mr. B A Maseko	Filled	Yes
3.	Senior Internal Auditor	Ms. S R Makhanye	Filled	Yes
4.	Internal Auditor	-	Vacant	No
5.	Internal Auditor	-	Vacant	No
6.	Audit Clerk	Mr. M S Magagula	Filled	Yes
7.	Internal Audit: Intern	Mr. V T Sibanyoni	Filled	Yes
8.	Internal Audit: Intern	-	Vacant	Yes

iv. **Productivity Statistics**

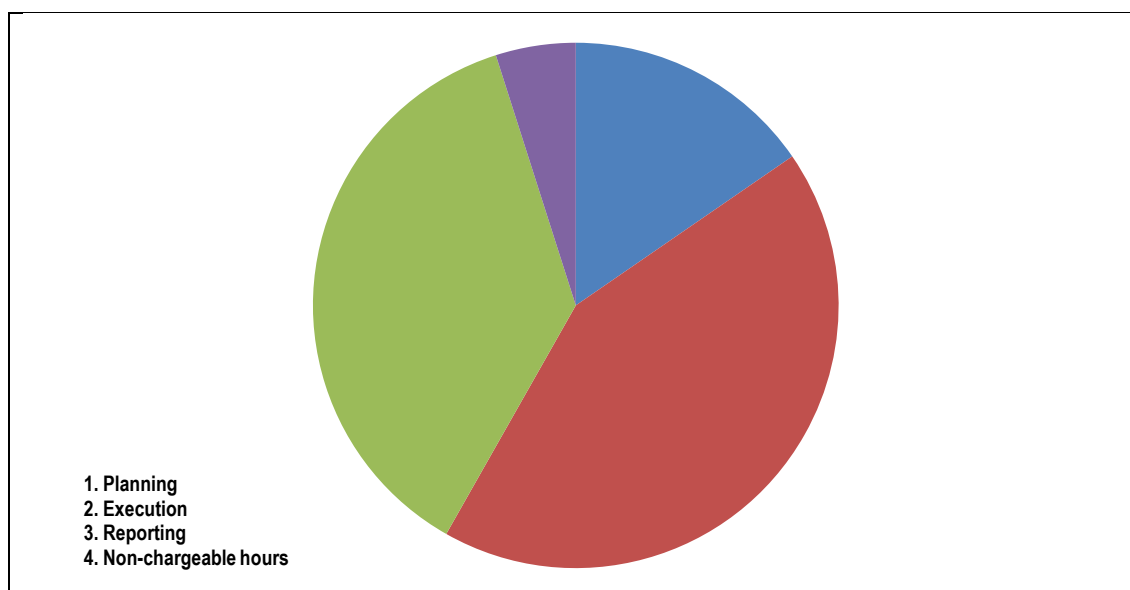
The Productivity Statistics indicated that a significant amount of time was spent on executing audit assignments of which i.e. for a more specific breakdown of productivity percentages and time spent refer to the table below.

The illustration indicated an improvement on utilisation of time spent doing audit work, however, an improvement was needed on time used executing, as this meant that fewer audit projects could be completed in a shorter time period, this was attributed by less experience that audit team possess and the fact that all projects were manually executed.

The statistics below were compiled from internal audit staff time sheets for the period July, August and September 2012:

No.	Description	B. Maseko (hours)	S. Makhanye (hours)	S Magagula (hours)	Total (hours)	%
1.	Planning audit assignments	32	132	80	244	15
2.	Execution audit assignments	140	236	302	678	43
3.	Reporting audit assignments	308	144	132	584	37
4.	Non-chargeable hours	48	16	14	78	5
	<b>TOTALS</b>	<b>528</b>	<b>528</b>	<b>528</b>	<b>1584</b>	<b>100%</b>

The chart below displayed total percentage spent per audit phase by all officials in the internal audit unit



**v. Finances**

Budget allocation for the Unit, including the Audit Committee and Performance Audit Committee, was as follows:

Annual Budget	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Expenditure	Percentage	Expenditure	Percentage	Expenditure	Percentage	Expenditure	Percentage
R 2 509 259	R 609 314.75	24%	R 609 314.75	24%	R 1 505 555	60%	R 1 505 555	60%

**vi. Closing Comments and Recommendations**

The financial resources allocated for a Director should be relocated to acquire additional two internal auditors candidates for which positions were available on the organogram and were approved.

We were developing Information Systems capacity internally through Continued Professional Development tactics in the direction of IT Risks as may arise through risk assessments, and the Audit Committee was requested support the IAA in getting funding to fill all approved vacant positions.

We have committed to acquiring teammate utilisation skills in order to ensure optimum use thereof.

We further thanked the Municipal Manager for his unswerving support to the independence of internal audit and affording us due recognition and commitments to improved systems of financial management, operations and governance processes.

The Internal Audit Unit was committed to conducting its activities in accordance with the approved Risk Based Audit Plan, adhering to the International Standards for the Professional Practices of Internal Auditing, Generally Accepted Government Auditing Standard where applicable, and all other legislations applicable.

We were in a plan to attain minimum competencies as issued by the Institute of Internal Auditors.

### 3.28 PERFORMANCE MANAGEMENT SYSTEM

#### Introduction

The Chief Albert Luthuli Municipal Performance Management System (PMS) entailed a policy framework that described and represented how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting, and improvement would be conducted, organised and managed, including determining the roles of the different role players (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

The annual process of managing the performance of the Municipality involved the following components:

- Performance Planning, which included development of the SDBIP and signing of performance agreements;
- Monitoring, Measurement and Review;
- Auditing of Performance;
- Performance Reporting.

The Municipality took a resolution in 2011/12 to place and establish a Section Performance Management System, and the Unit was established in terms of the Local Government: Municipal Systems Act, 2000 (Act No 53 of 2000) (the MSA).

The purpose of the performance management system (PMS) policy framework

The MSA and the Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (2006) provided for the establishment and implementation of a performance management system for every Municipality in South Africa. In order to comply with legislation, and to improve on good governance and service delivery, it was essential for the Municipality to adopt a policy framework on the performance management system, to fulfil the following objectives.

#### Objectives of the performance management system

- To manage accountability and achieve desired results.
- To learn about and improve performance.
- To take an informed decision on the allocation of resources.
- To alert decision-makers timeously to risks threatening the attainment and fulfilment of the Council's objectives in the Integrated Development Plan and Strategic Plan.

Based on the above, the Performance Management System of the Municipality had conducted assessment or performance reviews/evaluations at different sessions. The evaluations were conducted on all four quarters, and the evaluation panel was constituted in terms of the policy framework and in line with the performance regulations and the Action Performance Management.

The different municipal Heads of Department signed their performance agreement with the Municipal Manager on time and the Accounting Officer also signed his on time with the Executive Mayor

These performance agreements were then made public by being posting on the Municipal Website, and copies thereof were sent to the Department of Cooperative Governance and Traditional Affairs (CoGTA). Those agreements were based on the Municipal Service Delivery and Budget Implementation Plan (SDBIP), which was based on the adopted Integrated Development Plan (IDP) of the Municipality.

#### 3.27.1. Number of

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	1	1	1	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

#### 3.27.2.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
PROJECT A NONE	None	None	None	None	None
PROJECT B NONE	None	None	None	None	None
PROJECT C NONE	None	None	None	None	None
PROJECT D NONE	None	None	None	None	None

## **SUMMARY OF PERFORMANCE BY VARIOUS MUNICIPAL DEPARTMENTS (Table K)**

### **Introduction**

This Section provides for a summary of performances by different municipal department regarding their plans with regards to the Intergrated Developments Plans (IDP) as reflected in the Services Delivery and Budget Implementation Plans (SDBIP) as reflected above by various municipal departments.

The SDBIP objectives were above 188, which almost posed a challenge to deal with most of the objectives, as the majority of the them were operational in nature.

The above scenario could be rectified by reducing the number of objectives by way of segregating the SDBIP into levels or layers as recommended by Circular 13 of National Treasury. When the SDBIP was published, it included all the layers, being heads of department and sectional managers together (sectional managers like water and sanitation, electricity, and roads and storm water).

The fact that the SDBIP was not multilayered was due to the fact that most of the other managers reporting to the section 56 managers were not being assessed.

The other reason that contributed, was the fact that the alignment of the SDBIP with all the other documents was a bit of a challenge; and also the fact that the PMS Unit was still working on adjusting the SDBIP objectives, and tried to align it with the rest of what was happening in the Province.

The Department of Provincial Treasury assisted by sending a template of the SDBIP after a workshop was conducted, which all the other managers copied. The same template proved to be very long with many objectives, which were the result of the above, having been minimised from 204 objectives to 188. This matter would be addressed properly in the next financial year, 2013/14, and beyond.

**Table K. The summary of performance**

The summary of performance by all municipal departments except the office of the municipal manager which is excluded

<i>Department</i>	<i>Priority Area</i>	<i>Key Performance Indicator</i>	<i>Baseline (Previous year's actual)</i>	<i>Demand</i>	<i>Backlog</i>	<i>Annual Target (Year)</i>	<i>Year Target</i>	<i>Means of Verification</i>	<i>Unit of Measure</i>	<i>Status Achieved / Not Achieved</i>	<i>Measures taken to improve Performance</i>	<i>Management Response</i>	<i>Internal Audit Comment</i>	<i>Portfolio of Evidence</i>
Technical Services	<b>Water and Sanitation</b>													
	Maintain existing Water and Sewer Infrastructure	10	As reflected on the report above	Not indicated	not indicated	11	11	Reports Budget Job Cards	Indicators	5 not achieved	moved as 2013/14 priority	Comments were provided for in the reports	n/a	Reports Budget Job Cards
	<b>Electricity</b>													
	Upgrade, refurbish and maintain existing electricity infrastructure	10	As reflected on the report above	not indicated	not indicated	10	10	Reports	Indicators	8 achieved 2 partly achieved	improve planning	Comments were provided for in the reports	n/a	Reports
	<b>Roads and Stormwater Infrastructure</b>													
	improve the conditions of existing municipal roads and stormwater drainage	7	As reflected on the report above	Not indicated	not indicated	7	7	Progress reports Appointment letters Letters of confirmation	Indicators	7 achieved	none	Comments were provided for in the reports	n/a	Progress reports Appointment letters Letters of confirmation
	<b>Fleet management</b>	3	As reflected on the report above	Not indicated	Not indicated	3	3	Reports Copies of license discs	Indicators	3 achieved	None	Comments were provided for in the reports	n/a	Reports Copies of license discs
	<b>Job creation</b>	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports
	<b>Development</b>	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports
	<b>Public participation</b>	1	As reflected on the report above	Not indicated	Not indicated	1	1	Minutes	Indicators	1 achieved	n/a		n/a	Minutes
	<b>Financial Management</b>	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports				Comments were provided for in the reports	n/a	Reports
			As reflected on the report above					AG Action Plan Reports	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	AG Action Plan Reports
Project Management	Infrastructure development and service delivery	4	As reflected on the report	Not indicated	Not indicated	4	4	Attendance registers and	Indicators	4 achieved	n/a	Comments were provided	n/a	Attendance registers and



Department	Priority Area	Key Performance Indicator	Baseline (Previous year's actual)	Demand	Backlog	Annual Target (Year)	Year Target	Means of Verification	Unit of Measure	Status Achieved / Not Achieved	Measures taken to improve Performance	Management Response	Internal Audit Comment	Portfolio of Evidence
Unit (PMU)			above					Minutes Schedule of meetings				for in the reports		Minutes Schedule of meetings
								Reports Completion certificates Progress reports from consultants Happy letters						Reports Completion certificates Progress reports from consultants Happy letters
	Job creation	1	As reflected on the report above	Not indicated	Not indicated	1	1	Course certificates Monthly reports Awards and reports	Indicators	1	n/a	Comments were provided for in the reports	n/a	Course certificates Monthly reports Awards and reports
	Public participation	1	As reflected on the report above	Not indicated	Not indicated	1	1	Attendance registers	Indicators	1	n/a		n/a	Attendance registers
	Development	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports Course certificates	Indicators	2	n/a	Comments were provided for in the reports	n/a	Reports Course certificates
	Financial management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports on Vote No 0603	Indicators	1	n/a	Comments were provided for in the reports	n/a	Reports on Vote No 0603
Planning and Economic Development	Town planning	1	As reflected on the report above	Not indicated	Not indicated	1	1	Specification report Appointment letter Finalised contract Advert Signed memorandum of understanding Commencement report Training report	Indicators	1	n/a	Comments were provided for in the reports	n/a	Specification report Appointment letter Finalised contract Advert Signed memorandum of understanding Commencement report Training report
	Spatial planning	2	As reflected on the report above	Not indicated	Not indicated	2	2	Report Specification report	Indicators	2 not achieved	Moved as 2013/14 priorities	Comments were provided for in the reports	n/a	Report Specification report
	Integrated development planning	1	As reflected on the report above	Not indicated	Not indicated	1	1	IDPRF minutes MEC comments on IDP	Indicators	1 achieved	n/a		n/a	IDPRF minutes MEC comments on IDP
	Local economic development	2	As reflected on the report above	Not indicated	Not indicated	1	1	LED Action Plan SLPs from Mines Report on engagement with Mines Compilation of task team	Indicators	2 not achieved	Business Summit outstanding Requested funding from DEDET and GSDM	Comments were provided for in the reports	n/a	LED Action Plan SLPs from Mines Report on engagement with Mines Compilation of task team

<i>Department</i>	<i>Priority Area</i>	<i>Key Performance Indicator</i>	<i>Baseline (Previous year's actual)</i>	<i>Demand</i>	<i>Backlog</i>	<i>Annual Target (Year)</i>	<i>Year Target</i>	<i>Means of Verification</i>	<i>Unit of Measure</i>	<i>Status Achieved / Not Achieved</i>	<i>Measures taken to improve Performance</i>	<i>Management Response</i>	<i>Internal Audit Comment</i>	<i>Portfolio of Evidence</i>
	Reduction of poverty by 5% annually	1	As reflected on the report above	Not indicated	Not indicated	1	1	List of GSDM agricultural projects Report on GSDM agricultural projects Business plans for above Funding documentation from GSDM Reports on jobs created through CWP, EPWP, CRDP and other LED projects Report on Makhonja Mountain project applications to National Heritage Report on Ntional Mining Lekgotla Signed agreement for Elukwatini Fresh Produce Market Progress report on Zamokuhle Vegetable Project Registration certificates for Egumeni Makhosikati Program Report on Masibuyele Emasiminini Program Reports on projects funded by mines Requests for funding List of proposed car washes SEDA Training certificates	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	List of GSDM agricultural projects Report on GSDM agricultural projects Business plans for above Funding documentation from GSDM Reports on jobs created through CWP, EPWP, CRDP and other LED projects Report on Makhonja Mountain project applications to National Heritage Report on Ntional Mining Lekgotla Signed agreement for Elukwatini Fresh Produce Market Progress report on Zamokuhle Vegetable Project Registration certificates for Egumeni Makhosikati Program Report on Masibuyele Emasiminini Program Reports on projects funded by mines Requests for funding List of proposed car washes SEDA Training certificates
								Progress report on Service SETA training						Progress report on Service SETA training

Department	Priority Area	Key Performance Indicator	Baseline (Previous year's actual)	Demand	Backlog	Annual Target (Year)	Year Target	Means of Verification	Unit of Measure	Status Achieved / Not Achieved	Measures taken to improve Performance	Management Response	Internal Audit Comment	Portfolio of Evidence
								Correspondence from MEGA SANACO Conference program DEDET Cooperatives Workshop attendance register Copy of presentation to DEDET on business survey List of businesses Copies of DEDET registration of cooperatives Registration documents of COP identified cooperatives						Correspondence from MEGA SANACO Conference program DEDET Cooperatives Workshop attendance register Copy of presentation to DEDET on business survey List of businesses Copies of DEDET registration of cooperatives Registration documents of COP identified cooperatives
	Facilitate the establishment of a tourism information centre in Badplaas	1	As reflected on the report above	Not indicated	Not indicated	1	1	Progress report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Progress report
	Promote tourism in the municipality	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Empower local emerging SMMEs and Cooperatives	1	As reflected on the report above	Not indicated	Not indicated	1	1	List of awards to SMMEs and cooperatives	Indicators	1 achieved	n/a		n/a	List of awards to SMMEs and cooperatives
	Financial management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports List of building plans approved	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports List of building plans approved
Community Services	Waste management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports	Indicators	1 partly achieved	n/a	Comments were provided for in the reports	n/a	Reports
	Parks and Facilities	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports CAA compliance Report CAA license	Indicators	2	n/a	Comments were provided for in the reports	n/a	Reports CAA compliance Report CAA license
	Cemeteries	6	As reflected on the report above	Not indicated	Not indicated	6	6	Reports Request and approval for exhumation (BJ vd Merwe)	Indicators	6	n/a	Comments were provided for in the reports	n/a	Reports Request and approval for exhumation (BJ vd Merwe)

Department	Priority Area	Key Performance Indicator	Baseline (Previous year's actual)	Demand	Backlog	Annual Target (Year)	Year Target	Means of Verification	Unit of Measure	Status Achieved / Not Achieved	Measures taken to improve Performance	Management Response	Internal Audit Comment	Portfolio of Evidence
								Burial orders Reports and proof of investigation						Burial orders Reports and proof of investigation
	Environmental health services	2	As reflected on the report above	Not indicated	Not indicated	2	2	List of business premises inspected Reports	Indicators	2	n/a	Comments were provided for in the reports	n/a	List of business premises inspected Reports
	Library services	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports	Indicators	2	n/a	Comments were provided for in the reports	n/a	Reports
	HIV/AIDS coordination	3	As reflected on the report above	Not indicated	Not indicated	3	3	Reports Pamphlets	Indicators	3	n/a	Comments were provided for in the reports	n/a	Reports Pamphlets
	People with disability, Women and Youth	3	As reflected on the report above	Not indicated	Not indicated	3	3	Reports Minutes Approved strategy on gender and women empowerment Approved policy on women empowerment	Indicators	3	n/a	Comments were provided for in the reports	n/a	Reports Minutes Approved strategy on gender and women empowerment Approved policy on women empowerment
	Moral regeneration	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports	Indicators	1 achieved 1 partly achieved	n/a	Comments were provided for in the reports	n/a	Reports
	Job creation	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports	Indicators	2 achieved		Comments were provided for in the reports	n/a	Reports
	Development (Learnerships and Bursaries)	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Health and safety	1		Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Financial management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
												reports		
	Sport, Recreation and Culture	3	As reflected on the report above	Not indicated	Not indicated	3	3	Reports	Indicators	3 achieved	n/a	Comments were provided for in the reports	n/a	Reports
Public Safety	Social Crime	1	As reflected	Not	Not	1	1	Attendance	Indicators	1 achieved	n/a	Comments	n/a	Attendance

Department	Priority Area	Key Performance Indicator	Baseline (Previous year's actual)	Demand	Backlog	Annual Target (Year)	Year Target	Means of Verification	Unit of Measure	Status Achieved / Not Achieved	Measures taken to improve Performance	Management Response	Internal Audit Comment	Portfolio of Evidence
			on the report above	indicated	indicated			registers reports				were provided for in the reports		registers reports
	Safety and Security	2	As reflected on the report above	Not indicated	Not indicated	2	2	Attendance registers Reports	Indicators	2 achieved	n/a	Comments were provided for in the reports	n/a	Attendance registers Reports
	Traffic Management	3	As reflected on the report above	Not indicated	Not indicated	3	3	Copies of summonses	Indicators	3 achieved	n/a		n/a	Copies of summonses
	Local economic development	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Financial management	2	As reflected on the report above	Not indicated	Not indicated	2	2	Reports	Indicators	2 achieved	n/a	Comments were provided for in the reports	n/a	Reports
	Registration and Licensing Services	3	As reflected on the report above	Not indicated	Not indicated	3	3	Reports Calibration certificate	Indicators	3 achieved	n/a	Comments were provided for in the reports	n/a	Reports Calibration certificate
	Fire and Rescue Services	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports	Indicators	1 achieved		Comments were provided for in the reports	n/a	Reports
	Disaster Management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports Invitations	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports Invitations
Corporate Services	Customer Care Management	1	As reflected on the report above	Not indicated	Not indicated			Customer survey forms	Indicators				n/a	Customer survey forms
	Workplace Skills Plan (Leamerships and Bursaries)	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Job creation	3	As reflected on the report above	Not indicated	Not indicated	3	3	Report List of employees appointed	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report List of employees appointed
	Employment Equity Plan	1	As reflected on the report above	Not indicated	Not indicated	1	1	EEA Report	Indicators	1 achieved	n/a	Comments were provided	n/a	EEA Report
			above									for in the reports		
	Formulation and review of policies	2	As reflected on the report above	Not indicated	Not indicated	2	2	Council resolutions LLF agenda and minutes	Indicators	2 achieved	n/a		n/a	Council resolutions LLF agenda and minutes

<i>Department</i>	<i>Priority Area</i>	<i>Key Performance Indicator</i>	<i>Baseline (Previous year's actual)</i>	<i>Demand</i>	<i>Backlog</i>	<i>Annual Target (Year)</i>	<i>Year Target</i>	<i>Means of Verification</i>	<i>Unit of Measure</i>	<i>Status Achieved / Not Achieved</i>	<i>Measures taken to improve Performance</i>	<i>Management Response</i>	<i>Internal Audit Comment</i>	<i>Portfolio of Evidence</i>
	Risk Management	1	As reflected on the report above	Not indicated	Not indicated	1	1	Risk register Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Risk register Report
	Organisational structure	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Health and Safety Policy	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Batho Pele	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Section 79 and 80 Committees	2	As reflected on the report above	Not indicated	Not indicated	2	2	Agenda and minutes	Indicators	2 achieved	n/a		n/a	Agenda and minutes
	Portfolio and Mayoral Committees	1	As reflected on the report above	Not indicated	Not indicated	1	1	Agenda, reports and minutes	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Agenda, reports and minutes
	Municipal Council	1	As reflected on the report above	Not indicated	Not indicated	1	1	Agenda, reports and minutes	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Agenda, reports and minutes
	Ward Committees	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report
	Delegations Register and Council Standing Orders	1	As reflected on the report above	Not indicated	Not indicated	1	1	Council resolution Attendance register	Indicators	1 achieved	n/a		n/a	Council resolution Attendance register
	Local economic development	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports Minutes	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports Minutes
	Job creation	1		Not indicated	Not indicated	1	1	Reports Awards	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports Awards
	Financial Management (Budget, Tariffs and Capital)	4	As reflected on the report above	Not indicated	Not indicated	4	4	Council resolution	Indicators	4 achieved	n/a			Council resolution
	Management of Council Buildings	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report

Department	Priority Area	Key Performance Indicator	Baseline (Previous year's actual)	Demand	Backlog	Annual Target (Year)	Year Target	Means of Verification	Unit of Measure	Status Achieved / Not Achieved	Measures taken to improve Performance	Management Response	Internal Audit Comment	Portfolio of Evidence
	Maintenance of Council Buildings	2	As reflected on the report above	Not indicated	Not indicated	2	2	Report Payment certificate	Indicators	2 achieved	n/a	Comments were provided for in the reports	n/a	Report Payment certificate
	Legal instruments	1	As reflected on the report above	Not indicated	Not indicated	1	1	Council resolutions	Indicators	1 achieved	n/a		n/a	Council resolutions
	Legal guidance and opinions	1	As reflected on the report above	Not indicated	Not indicated	1	1	Report Summonses and founding affidavits	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Report Summonses and founding affidavits
	Contracts and agreements	1	As reflected on the report above	Not indicated	Not indicated	1	1	SLAs and contracts	Indicators	1 achieved	n/a		n/a	SLAs and contracts
	By-laws	1	As reflected on the report above	Not indicated	Not indicated	1	1	Provincial government gazette	Indicators	1 achieved	n/a		n/a	Provincial government gazette
Financial Services	Free basic services	1	As reflected on the report above	Not indicated	Not indicated	1	1	Indigent register	Indicators	1 achieved	n/a		n/a	Indigent register
	Job creation	1	As reflected on the report above	Not indicated	Not indicated	1	1	Reports Tender documents	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Reports Tender documents
	Public participation	1	As reflected on the report above	Not indicated	Not indicated	1	1	Municipal Website	Indicators	1 achieved	n/a		n/a	Municipal Website
	Implementation of all financial policies	2	As reflected on the report above	Not indicated	Not indicated	2	2	Council resolutions AG Action Plan report	Indicators	2 achieved	n/a	Comments were provided for in the reports	n/a	Council resolutions AG Action Plan report
	Customer care survey	1	As reflected on the report above	Not indicated	Not indicated	1	1	Survey forms submitted and new accounts opened	Indicators	1 achieved	n/a		n/a	Survey forms submitted and new accounts opened
	Budget management	2	As reflected on the report above	Not indicated	Not indicated	2	2	Council result ions	Indicators	2 achieved	n/a		n/a	Council result ions
	Increase revenue base	1		Not indicated	Not indicated	1	1	Monthly reports	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	Monthly reports
	Supply chain management	1		Not indicated	Not indicated	1	1	Council resolution	Indicators	1 achieved	n/a		n/a	Council resolution
	Fixed asset management	1		Not indicated	Not indicated	1	1	Asset register	Indicators	1 achieved	n/a		n/a	Asset register
	Financial reporting	1	As reflected on the report above	Not indicated	Not indicated	1	1	S71 reports	Indicators	1 achieved	n/a	Comments were provided for in the reports	n/a	S71 reports

<i>Department</i>	<i>Priority Area</i>	<i>Key Performance Indicator</i>	<i>Baseline (Previous year's actual)</i>	<i>Demand</i>	<i>Backlog</i>	<i>Annual Target (Year)</i>	<i>Year Target</i>	<i>Means of Verification</i>	<i>Unit of Measure</i>	<i>Status Achieved / Not Achieved</i>	<i>Measures taken to improve Performance</i>	<i>Management Response</i>	<i>Internal Audit Comment</i>	<i>Portfolio of Evidence</i>
	Monthly billing	1		Not indicated	Not indicated	1	1	Journals	Indicators	1 achieved	n/a	n/a	n/a	Journals
	Revenue enhancement	1	As reflected on the report above	Not indicated	Not indicated	1	1	Survey forms	Indicators	1 achieved	n/a	n/a	n/a	Survey forms
	Payment of creditors	1	As reflected on the report above	Not indicated	Not indicated	1	1	Purchase vouchers	Indicators	1 achieved	n/a	n/a	n/a	Purchase vouchers



Priority Area	Objective and Strategy	Key Performance Indicator (KPI)	Budget	Baseline	Impact	Outcome	Target 2011/12	Target 2012/13	Actual performance 2012/13	Reasons for deviations	Steps taken to improve to correct situation	Means of verifications
<b>KPA : MUNICIPAL and INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>												
<b>Signed performance agreements for all S56 managers</b>	To conclude, sign and submit to DCOGTA performance contracts of S56 managers	7 signed agreements	Signed and submitted performance contracts and PDP's	Monitoring of performance management system	Increased service delivery	4 quarterly reviews	7	7	Submitted performance agreements to COGTA in Q1 Compiled and analysed results Contracts were in force	None	n/a	Contracts Submissions
<b>Non-S57 managers performance</b>	To conclude performance agreement with non-S57 managers	7 managers agreements	7 agreements	Signed and submitted performance contracts	Increased service delivery	100% compliance to legislation	Prepare contracts	Signed contracts	Facilitated signing of performance agreement plans Concluded performance agreements with non-S56 managers, Internal Audit with Municipal Manager Facilitated signing of performance plans by non-S57 managers, Internal Audit with Municipal Manager Only few responded	The status quo remained Not all signed agreements	A performance plan was designed and sent to Directors	Plans
<b>Performance Plan with permanent managers</b>	To design and have a performance plan in place for managers who were permanent employees		Have Performance Plan in place for all permanent managers		Signed and submitted performance contracts			None	Arranged for performance plan with Heads of Department requested Performance plans done Notice of performance plan sent to managers The status quo remained There was misconception regarding performance agreements and performance plans They developed their performance plans	Notice of performance plan to affected section Requested submission of plans Arranged for Performance Plan	Heads of Department requested Notice of performance plan to affected section, was issued in Q1	Notice
<b>KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>												
<b>Statutory Reporting - Annual Report</b>	To compile an annual performance report	One report presented to Council	Report tabled to Council and was rejected	Approval of the report	Improved performance and compliance to MSA	Improved service delivery	1 report	1 report in January 2012	AG and COGTA fine-tuned the draft annual report Presented Q1 performance report to Council Submitted draft annual report to AG, COGTA Fine-tuned draft annual report Resubmitted with inputs Submitted draft annual report to Council		Submitted third quarter report to Council, and posted on Municipal Website	Resolution Registers, Annual report
<b>Organisational Performance Management Scorecard</b>	To develop and adopt an organisational performance management	Well developed organisational scorecard	Scorecard developed	Approved and adopted Organisational Performance Management	None	100% compliance to legislation	Preview OPMS	Adopted and approved OPMS	PMS policy framework 15% Submitted and approved by Council Redrafted the PMS policy framework for resubmission The PMS Framework was adopted in Q1	None		PMS policy framework Resolution

Priority Area		Key Performance Indicator (KPI)	Budget	Baseline	Impact	Outcome	Target 2011/12	Target 2012/13	Actual performance 2012/13	Reasons for deviations	Steps taken to improve to correct situation	Means of verifications
Objective and Strategy												
	scorecard			Scorecard OPMS					PMS policy framework was in place			
Assessment and Evaluations	Asses, monitor performance and review quarterly	Number of performance assessments	Number of performance evaluations done	Review performance quarterly, conduct midterm review for S57 managers	Improved performance, increasing service delivery	4 reviews of performance management	12 performance results conducted		Concluded annual assessment for contract staff, S56 managers, Municipal Manager	Conducted 12 performance results		Attendance registers
		Have Performance Plan in place for all permanent managers		20	Copies in place	None	All managers		All copies in place			Copies
KPA : BASIC SERVICE DELIVERY												
Departmental Performance Management Scorecard	To develop and adopt a departmental score card aligned to the organisational score card	Well developed organisational score card	Well developed departmental score card			None	100% compliance to legislation	Final draft	30% Implementation 60% Implementation 100% Implementation 100% Implementation			100%
KPA: LOCAL ECONOMIC DEVELOPMENT												
Local SMME's and co-operatives	Procurement of goods and services	Number of local procured goods and services	Number of local procured goods and services	None		Four	Four	Four	One catering service was procured for performance assessments Two catering services for catering and transport were procured for annual report public consultation	No goods were procured locally, only externally - printing of annual report		Copy of annual report Quotations
KPA: MUNICIPAL FINANCIAL VIABILITY												
Finance Management	Proper management of the unit's budget	Well managed budget	No overspending of vote	None	Finance management	Proper management of the unit's budget	Well managed budget	No over-spending of vote	Filing of all transactions			Files of quotes
Keep invoices of all transactions	Proper management of the unit's budget	Well managed budget	No overspending of vote	None	Finance management	Proper management of the unit's budget		Invoices kept	Invoices for printing of documents kept			Invoices
	To ensure good finance management	Invoices kept										

### 3.28 RISK MANAGEMENT

#### Introduction

In terms of section 62(i)(c) of the MFMA, a municipality must have and maintain an effective, efficient and transparent system of risk management; and, the municipal manager is responsible for managing the municipality's financial administration. For this purpose the municipal manager must take all responsible steps to ensure, amongst others, that the municipality has and maintains effective, efficient and transparent systems of financial and risk management, and control of internal audit operating in accordance with any prescribed norms and standards.

In order to give effect to the above, the Municipal Manager had established the Risk Management Committee of the Municipality.

Risk management was an important aspect of all our lives. We were exposed to risk both in terms of **threats** to service provision and from the potential of **lost opportunities**. It was essential that we could demonstrate to our citizens that we were fully considering the implications of risk, as we delivered our business for the benefit of the residents of our community.

The risk management process was designed to support members and officers in ensuring that the Municipality was able to fully discharge its risk management responsibilities in a consistent manner. The Municipality had a Risk Management Strategy that outlined the objectives, benefits and approach to the process to ensure that risks, both positive and negative, were successfully managed.

Risk management in Chief Albert Luthuli Municipality was about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities and creating an environment that added value to ongoing activities.

Risk management was a key part of corporate governance. Corporate governance was the way an organisation managed its business, determined strategy and objectives and went about achieving those objectives. Good risk management would help identify and deal with key corporate risks facing the organisation in the pursuit of its goals and was a key part of good management, not simply a compliance exercise.

#### 3.28.1 Risk Management - Number of Employees

Job Level	2011/12	2012/13			
	Number of Employees	Number of Posts	Number of Employees	Number of Vacancies (fulltime equivalents)	Number of Vacancies (as % of total posts)
0-3	1	1	1	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

#### 3.28.2 Risk Management - Capital Projects

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
PROJECT A NONE	None	None	None	None	None
PROJECT B NONE	None	None	None	None	None
PROJECT C NONE	None	None	None	None	None
PROJECT D NONE	None	None	None	None	None

**RISK MANAGEMENT**

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget	Baseline	Comparisons			Reasons for deviations	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
KPA 1 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
Risk Committee Operations	Effective and efficient enterprise Risk management function	Co- ordinate Risk Management Committee meetings	R40 000 0007/4203/0000	Co-ordinate 4 Risk management committees and act as a secretarial of those meeting	4 Risk Management Committee Meetings	4 Risk Management Committee Meetings	Risk management committee meetings were held on 11 October 2012, 1 March 2013 and 20 June 2013 as per the risk management committee charter	The Chairperson of the Risk Management committee attended an Audit Committee meeting as per the Risk management committee charter	n/a	Risk management committee report attached
Risk Management Regulations	Effective and efficient enterprise Risk management function	Review Risk Management Committee Charter	R10 000 0007/4203/0000	Review the Risk management committee service delivery charter on yearly basis	Approved Risk Management Committee Charter	Approved Risk Management Committee Charter	Risk management committee charter was attached	none	n/a	Report
		Risk Management Policy		Review the Risk management policy on yearly basis	Approved Risk Management Policy	Approved Risk Management Policy	The Risk Management Policy, Strategy and Process were submitted to the mayoral committee and approved by Council	None	n/a	Report and policy
	Establishment of fraud management framework	Review Fraud Prevention Policy and strategy	R50 000 0007/4203/0000	Review fraud prevention policy and strategy on yearly basis		Approved Fraud Prevention Policy and strategy	Fraud and corruption was implemented	None	n/a	Approved Fraud Prevention Policy and
KPA 2 : INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION										
Risk Management Functions	Effective and efficient enterprise Risk management function	Risk Management Strategy (Risk Identification and Assessment Methodologies, Risk Appetite and Tolerance)	0	Review of the Risk management strategy on yearly basis	Approved Risk Management Strategy	Approved Risk Management Strategy	The Risk Management Policy, Strategy and Process were submitted to mayoral meeting and its recommended for approval by Council Sent policies to Council and they were approved	None	n/a	Report
	Contribute in safeguarding of municipal assets	Loss Control Policy	0	Review of the loss control policy	Approved Loss Control Policy	Approved Loss Control Policy	The loss control policy is in the consultation stage for additional comments from management and committees	None	n/a	Report
	Effective and efficient enterprise Risk management function	Appointment of Risk Champions	R12 000 0007/4203/0000	Appointment of Risk Champions and meet on quarterly basis	Appointed Risk Champions	Appointed Risk Champions	Provided training to Risk management committee on 27 Sep 2012 and members who were not trained in the last financial year.	Training on Risk management and fraud awareness will be conducted next	n/a	Report /minutes

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget	Baseline	Comparisons			Reasons for deviations	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
								financial year		
Delegations	Performing ADHOC assignment	Responsibilities	0	Formal delegation of responsibilities to existing personnel	Formal delegation of responsibilities to existing personnel	Formal delegation of responsibilities to existing personnel	<u>Insurance claim - Ekulindeni Offices</u> A follow up was made, still awaiting payment <u>Insurance claim –Empuluzi</u> A follow up was made, still awaiting payment The broker was contacted and inspection was conducted. Awaiting updated register and requested a building plan with GSDM Second inspection conducted by the broker Requested documents was forwarded except a correctly updated asset register The broker was contacted and inspection was conducted. Awaiting last inspection on the vehicles and the report from the insurance	None	n/a	Operational
		Structures	0	Appointment of the approved budgeted vacant positions and structures	Appointment of the approved vacant positions and structures	Appointment of the approved vacant positions and structures	Awaiting hr processes	None	n/a	Advert
Risk Orientation and Training	Mitigating Risk and fraud at all levels	Risk Orientation, Training and Fraud Awareness	R50 000 0007/4203/0000	Co-ordination of the Orientation Risk awareness program developed for new employees Training plan for existing employees Training for Risk champions Training for all Managers and Councillors	Orientation Risk awareness program developed for new employees Training plan for existing employees Training for Risk champions Training for all Managers and Councillors	Orientation Risk awareness program developed for new employees Training plan for existing employees Training for Risk champions Training for all Managers and Councillors	The training on Risk Orientation and Fraud Awareness Workshop not provided due to unavailability of funds	A letter requesting assistance with fraud awareness items was send to COGTA Follow up as been conducted, but no progress was made on their side Awaiting response		Report
		Develop key performance indicators to measure	0	Preparing of the annual Risk management plan	Annual Risk Management Plans	Annual Risk Management Plans	Annual Risk Management Plans	None	n/a	Quarterly reports

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget	Baseline	Comparisons			Reasons for deviations	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
		the effectiveness of the Risk management activity								
		Detailed Risk management implementation plan	0	Preparing of the annual Risk management plan	An approved Risk Management Implementation Plan for the 2012/13 financial year	An approved Risk Management Implementation Plan for the 2012/13 financial year	An approved Risk Management Implementation Plan for the 2012/13 financial year	None	n/a	Report
<b>KPA 3 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT</b>										
<b>Risk response</b>	Mitigating Risk and fraud at all levels	Annual strategic Risk assessment	0	Preparing the annual strategic Risk report	Approved strategic Risk register	Approved strategic Risk register	Report was approved by Accounting Officer Risk Management Committee recommended that a strategic Risk register be reviewed, from 3 to 5 December 2012, it was presented to the Risk management committee and the Audit committee. Conducted a follow-up on the mitigation of the Risk Conducted an IT, fraud and corruption as well as strategic Risk assessment on 15 to 16 May 2013 The strategic risk assessment report was presented to the risk management committee on the 20 <sup>th</sup> June 2013	The strategic Risk assessment will be presented to the Audit committee on 1 August 2012, however it was forwarded to them by email.	All strategic Risks were reviewed A strategic Risk assessment for the financial year 2013-14 will be conducted in the last quarter Sent a letter to Provincial Treasury requesting assistance	Report attached  Copy of letter
	Mitigating Risk and fraud at all levels	Drafting of action plans for all gaps identified for the top Risks	0	Assist management in drafting of action plans	Action plans implemented per agreed milestone	Action plans implemented per agreed milestone	Assisted management to develop action plans Developing of action plans was still in progress however operational Risk were monitored The action plan was submitted to the Risk management committee on 11 October 2012 and was recommended for approval with the changes made Follow up on the implementation of the action plan were made	Follow up on the implementation of the action plan were made	Management will report about their progress during the RMC meeting Developed and consolidated action plans	Detailed action plans attached
		Assign assurance providers for the top identified Risks	0	Assist management in identifying the Risk from assurance providers	Combined assurance plan	Combined assurance plan	A detailed action plan was developed	None	n/a	Report attached

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget	Baseline	Comparisons			Reasons for deviations	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
		Operational Risk assessments as per department Fraud Risk Assessment 16-31 July Community Services 1-30 September Finance Department 1-31 October Technical Department 1-30 November Corporate Services 1-31 December Public Safety 1-31 January PED 1-28 February PMU 1-31 March	0	Preparing and co-ordinating all departmental operational Risk register	Approved operational Risk registers (as per the agreed cycle)	Approved operational Risk registers (as per the agreed cycle)	The operational Risk register for all departments was reviewed on 3 to 5 December 2012 An operational Risk register was presented to the Risk management committee and it was recommended that it should be reviewed Strategic and operational Risk register were reviewed during December 2012 Approved Risk register available Strategic and operational Risk register were submitted to Risk management committee and recommendations were made Updating of the operational Risk register was performed	None	n/a	Register
<b>KPA 4 : LOCAL ECONOMIC DEVELOPMENT</b>										
<b>Risk monitoring</b>	Effective and efficient Risk monitoring	Evaluate the effectiveness of mitigating strategies 2012/13	0	Assist Implementation of the mitigating measures and fraud prevention policy	Report to the Accounting Officer on the status of implementing	Report to the Accounting Officer on the status of implementing	Monitoring was done and Requested province to assist	None	n/a	Request letter
		Evaluate the effectiveness of the implementation of the fraud prevention policy	0		<ul style="list-style-type: none"> <li>Mitigation measures</li> <li>Fraud prevention policy</li> </ul>	<ul style="list-style-type: none"> <li>Mitigation measures</li> <li>Fraud prevention policy</li> </ul>				
		Review any material findings and recommendations by assurance providers on the system of Risk	0	Monitoring any material changes to the Risk profile of the institute	Report to the Accounting Officer any material changes to the Risk profile of the Institution	Report to the Accounting Officer any material changes to the Risk profile of the Institution	Reporting was performed as per the plan	None	n/a	Quarterly reports
<b>Risk Management reporting</b>	Effective and efficient Risk management reporting	Monthly reports	0	Preparing of monthly reports	Report on monthly progress	Report on monthly progress	Submission of July, August and September reports to the Accounting officer Submission of October, November and December reports to the Accounting Officer	None	Submission of January, February and March reports to the Accounting Officer Submission of April,	Report

Priority Area	Strategic Objective	Key Performance Indicator (KPI)	Budget	Baseline	Comparisons			Reasons for deviations	Steps taken to improve the situation	Means of verification
					Actual 2011/12	Target 2012/13	Actual Performance 2012/13			
									May and June reports to the Accounting Officer	
		Quarterly	0	Preparing of quarterly reports	Report on quarterly Risk management progress	Report on quarterly Risk management progress	Submission of quarterly reports to the Accounting officer and Council	None	n/a	Reports



# CHAPTER 4

## ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### COMPONENT A

#### MUNICIPAL PERSONNEL

#### EMPLOYEE TOTALS, TURNOVER AND VACANCIES

##### 4.1.1 Number of Employees

Department/Section	2011/12	2012/13			
	Number of Employees	Number of Approved Posts	Number of Employees	Number of Vacancies	Vacancies (%)
Water and Wastewater (Sanitation)	147	151	147	4	3%
Electricity	9	11	9	2	20%
Waste Management	35	35	35	0	0%
Project Management	5	5	7	0	0%
Housing	3	3	3	0	0%
Wastewater and Roads (Stormwater)	29	29	29	0	0%
Finance	45	48	45	3	6%
Fleet and Transport Management	9	6	4	2	33%
Planning	3	4	3	1	25%
Local Economic Development	3	3	3	0	0%
Planning (Strategic and Regulatory)	7	8	7	1	13%
Community Services	6	6	6	0	0%
Environmental Protection	31	31	31	0	0%
Security and Safety	35	41	35	6	15%
Sport and Recreation	0	0	0	0	0%
Corporate Policy Offices and Other	71	73	73	2	3%
<b>Total</b>	<b>435</b>	<b>454</b>	<b>437</b>	<b>21</b>	<b>5%</b>

##### 4.1.2 Turnover Rate

Details	Number of Appointments at beginning of Financial Year	Number of Terminations during the Financial Year	Turn-over Rate
July 2012 / June 2013	48	21	%

##### 4.1.3 Vacancy rate

Designations	Total Approved Posts	Variances (Total time that vacancies exist using fulltime equivalents)	Variances (as a proportion of total posts in each category)
Municipal Manager	1	0	0%
Chief Financial Officer	1	1	100%
S56 Managers (excluding Finance Posts)	10	1	10%
Other Section 57 Managers (Finance Posts)	3	1	33%
Senior Management (Levels 2-3 excl Finance Posts)	25	5	20%
Senior Management (Levels 2-3 Finance Posts)	6	2	33%
Highly Skilled Supervision (Levels 4-6 excl Finance Posts)	35	8	23%
Highly Skilled Supervision (Levels 4-6 Finance Posts)	8	1	13%
Municipal Traffic	8	1	13%
Fire Fighters	8	1	13%
<b>Total</b>	<b>105</b>	<b>21</b>	<b>20%</b>

## COMPONENT B

### MANAGING THE MUNICIPAL WORKFORCE

#### Introduction

In terms of section 67 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) a municipality must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act, 1998.

#### 4.2 POLICIES

<i>HR Policies and Plans</i>				
	<i>Name of Policy</i>	<i>Completed %</i>	<i>Reviewed %</i>	<i>Date adopted by Council or comment on failure to adopt</i>
1	Attraction and Retention	100%	n/a	25/09/2012
2	Bereavement Policy	100%		n/a
3	Code of Conduct for employees	100%	n/a	25/09/2012
4	Delegations, Authorisation and Responsibility	100%	100%	n/a
5	Disciplinary Code and Procedures	100%	n/a	SALGBC
6	Essential Services	100%	n/a	LLF
7	Employee Assistance / Wellness	100%	n/a	25/09/2012
8	Employment Equity Plan	100%	n/a	Gate date in 2011
9	Exit Management	100%	n/a	Jan 2013
10	Grievance Procedures	100%	n/a	SALGBC
11	HIV/AIDS	100%	n/a	25/09/2012
12	Human Resource and Development	100%	n/a	25/09/2012
13	Information Technology	100%	n/a	n/a
14	Leave	100%	n/a	11/2013
15	Occupational Health and Safety	100%	n/a	11/2013
16	Official Working Hours and Overtime	100%	n/a	BCEA
17	Organisational Rights	100%	n/a	SALGBC
18	Payroll Deductions	100%	n/a	BCEA
19	Performance Management System	100%	n/a	11/2012
20	Recruitment, Selection and Appointments	100%	n/a	25/09/2012
21	Relocation	100%	n/a	25/09/2012
22	Sexual Harassment	100%	n/a	25/09/2012
23	Skills Development	100%	n/a	25/09/2012
24	Smoking	100%	n/a	25/09/2012
25	Subsistence and Travelling	100%	n/a	25/05/2012
26	Other:	0	0	0

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

##### 4.3.1 Injury and sick leave

<i>Number and Cost of Injuries on Duty</i>					
	<i>Injury Leave Taken</i>	<i>Employees using injury leave</i>	<i>Proportion employees using sick leave</i>	<i>Average Injury Leave per employee</i>	<i>Total Estimated Cost</i>
	<i>Days</i>	<i>Number</i>	<i>%</i>	<i>Days</i>	<i>R'000</i>
Required basic medical attention only	26	7	2%	4	Daniel Sibiya to correct
Temporary total disablement	0	0	0%	0	0
Permanent disablement	0	0	0%	0	0
Fatal	0	0	0%	0	0
Total	26	7	27%	5	0

##### 4.3.2 Suspensions and cases of misconduct

<i>Number and Period of Suspensions</i>				
<i>Position</i>	<i>Nature of Alleged Misconduct</i>	<i>Date of Suspension</i>	<i>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</i>	<i>Date Finalised</i>
Electrician	Unlawful Installation of Electricity Meters and Cables	Nil	Finalised	10/2012
Process Controller	Abscondment	Nil	Finalised	08/2012
Snr Admin Clerk	Failure to attend work regularly and punctuality	Nil	Finalised	10/2012
Water Plant Operator	Abscondment	Nil	Finalised	09/2012
Driver	Failure to declare business interest	Nil	Finalised	04/2013
Water Plant Operator	Insubordination	19/01/2012	Not finalised, still proceeding	
General Worker	Driving municipal vehicle without permission	Nil	Not finalised, still proceeding	
General Worker X7	Insubordination	Nil	not finalised, still proceeding	
Cleaner	Insubordination	Nil	Not finalised, still proceeding	
Pit Assistant	Abscondment	Nil	Finalised	06/2013

#### 4.4 PERFORMANCE REWARDS

The 2012/13 performance assessments were conducted. The reports still had to be submitted to the Audit Committee for finalisation due to the assessment of 3 managers still being outstanding.

The Performance Audit Committee was yet to decide a date upon which these assessments would be finalised.

The results would be discussed by the Audit Committee and a due recommendation would be forwarded to Council.

<i>Performance Rewards by Gender</i>					
<i>Designations</i>	<i>Beneficiary profile</i>				
	<i>Gender</i>	<i>Total number of employees in group</i>	<i>Number of beneficiaries</i>	<i>Expenditure on rewards 2012/13 R'000</i>	<i>Proportion of beneficiaries within the group %</i>
Senior management (Level 3)	Female	1	None	None	None
	Male	3	None	None	None
Municipal Manager and S57	Female	1	None	None	None
	Male	7	PENDING	PENDING	PENDING
<b>Total</b>		<b>12</b>	<b>PENDING</b>	<b>PENDING</b>	<b>PENDING</b>
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>			Yes		

## COMPONENT C

### CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.5 Workforce capacity development

In terms of section 68(1) of the MSA, a municipality must develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

##### 4.5.1 Financial competency development

<i>Financial Competency Development: Progress Report</i>						
<i>Description</i>	<i>A Total number of officials employed by Municipality  Regulation 14(4)(a) and (c)</i>	<i>B Total number of officials employed by municipal entities  Regulation 14(4)(a) and (c)</i>	<i>Consolidated: Total of A and B</i>	<i>Consolidated: Competency assessments completed for A and B  Regulation 14(4)(b) and (d)</i>	<i>Consolidated: Total number of officials whose performance agreements comply with Regulation 16 Regulation 14(4)(f)</i>	<i>Consolidated: Total number of officials that meet prescribed competency levels  Regulation 14(4)(e)</i>
<b>Financial Officials</b>						
Accounting officer	1	0	1	0	0	0
Chief financial officer	1	0	1	1	0	1
Senior managers	6	0	6	1	0	0
Any other financial officials	20	0	20	6	0	6
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	1	0	1	0	0	0
<b>TOTAL</b>	<b>29</b>	<b>0</b>	<b>29</b>	<b>8</b>	<b>0</b>	<b>7</b>

#### 4.5.2 Training and development

<b>Skills Matrix</b>														
<b>Management level</b>	<b>Gender</b>	<b>Number of Employees in post as at 30 June 2013</b>	<b>Number of skilled employees required and actual as at 30 June Year 2012/13</b>											
			<b>Learnerships</b>			<b>Skills Programs and other short courses</b>			<b>Other forms of training</b>			<b>Total</b>		
			<b>Actual End 2012</b>	<b>Actual End 2013</b>	<b>Target 2013</b>	<b>Actual End 2012</b>	<b>Actual End 2013</b>	<b>Target 2013</b>	<b>Actual End 2012</b>	<b>Actual End 2013</b>	<b>Target 2013</b>	<b>Actual End 2012</b>	<b>Actual End 2013</b>	<b>Target 2013</b>
MM and S57	Female	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Male	7	0	n/a	5	5	5	5	5	5	n/a	5	n/a	n/a
Councillors, senior officials and managers	Female	n/a	0	n/a	16	16	16	16	16	16	n/a	16	n/a	n/a
	Male	n/a	1	n/a	26	26	26	26	26	26	n/a	26	n/a	n/a
Technicians and associate professionals*	Female	n/a	14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Male	n/a	24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Professionals	Female	n/a	0	n/a	3	3	3	3	3	3	n/a	3	n/a	n/a
	Male	n/a	0	n/a	6	6	6	6	6	6	n/a	6	n/a	n/a
Sub total	Female	n/a	14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Male	0	25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>		<b>7</b>	<b>78</b>	n/a	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>	n/a	<b>56</b>	<b>0</b>	<b>0</b>

## COMPONENT D

### MANAGING THE WORKFORCE EXPENDITURE

#### 4.6 EMPLOYEE EXPENDITURE

##### 4.6.1 Upgraded posts at variance with normal practice

*Comment on T4.6.2 as appropriate and give further explanations as necessary with respect*

<i>Number of employees whose salaries were increased due to their positions being upgraded</i>		
<b>Beneficiaries</b>	<b>Gender</b>	<b>Total</b>
Lower skilled (Levels ...)	Male	None
	Female	None
Skilled (Levels ...)	Male	None
	Female	None
Highly skilled production (Levels ...)	Male	None
	Female	None
Highly skilled supervision (levels ...)	Male	None
	Female	None
Senior management (Levels ...)	Male	None
	Female	None
Municipal Manager and S57 Managers	Male	None
	Female	None
<b>Total</b>		None

##### 4.6.2 Disclosure of financial interests

	<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests (Nil or Details)</b>
1	Executive Mayor	Clr B P Shiba	Investment with Old Mutual and Clientele Life
2	Member Mayoral Committee	Clr W M Mngomezulu W21	None
3	Member Mayoral Committee	Clr N M Mnisi	None
4	Member Mayoral Committee	Clr Q G Thabethe	None
5	Speaker of the Council	Clr S M Nkosi	Trustee of Samkethe Property Trust and Family Trust
6	Council Whip	Clr D P Nkosi	None
7	Chairperson: MPAC	Clr V S Shabangu	None
8	Municipal Councillor	Clr F E Nkosi W9	Ukukhula Komnotho Investment and Somhlolo Trust (Trustee)
9	Municipal Councillor	Clr G J Nkosi W18	None
10	Municipal Councillor	Clr F J Ntuli W14	None
11	Municipal Councillor	Clr M L Steenkamp W11	None
12	Municipal Councillor	Clr N J Nkabinde W5	None
13	Municipal Councillor	Clr A D Nkosi W12	Director for Luvo Business Enterprise Oxy Trading cc
14	Municipal Councillor	Clr M E Maduna W2	None
15	Municipal Councillor	Clr N G Thomo W16	None
16	Municipal Councillor	Clr B M Masuku W13	None
17	Municipal Councillor	Clr J S Mbhele W20	Juks and Thebs Construction / Ingongoni Security Services and Financial Valuer
18	Municipal Councillor	Clr T E Zwane W4	None
19	Municipal Councillor	Clr T W Motha W24	None
20	Municipal Councillor	Clr E B Mkhabela W10	None
21	Municipal Councillor	Clr E J Lubede W23	Act of Grace – Board member
22	Municipal Councillor	Clr J Vilakazi W17	None
23	Municipal Councillor	Clr J P Soko W6	None
24	Municipal Councillor	Clr S F Mthombeni W22	None
25	Municipal Councillor	Clr N I Mdluli W3	None

<b>Position</b>		<b>Name</b>		<b>Description of Financial Interests (Nil or Details)</b>
26	Municipal Councillor	Clr T W Zulu	W7	None
27	Municipal Councillor	Clr S J Nkosi	W8	None
28	Municipal Councillor	Clr R G Vilakazi	W1	None
29	Municipal Councillor	Clr M J Nkosi	W19	None
30	Municipal Councillor	Clr S Z Nkosi	W25	None
31	Municipal Councillor	Clr J A Simelane	W6	None
32	Proportional Representative	Clr N R Cindi		None, Owner of airtime Vendor
33	Proportional Representative	Clr Z M Dlodlu		None
34	Proportional Representative	Clr J Makene		None
35	Proportional Representative	Clr S T Q Malaza		Buhle Buyeza Trading and Nabonkosi Plant Hire
36	Proportional Representative	Clr T J Motha		None
37	Proportional Representative	Clr H J McGinn		A farmer – Sole Proprietor
38	Proportional Representative	Clr L D Shabangu		None
39	Proportional Representative	Clr P P Mhlana		None
40	Proportional Representative	Clr N V Makhubelo		None
41	Proportional Representative	Clr A Ngubeni		None
42	Proportional Representative	Clr J S Nkosi		C J Nkosi and Son Transport / KYP Construction and Projects
43	Proportional Representative	Clr M H Nkosi		None
44	Proportional Representative	Clr N M Nkosi		None
45	Proportional Representative	Clr V L Nkosi		None
46	Proportional Representative	Clr F D M Phakathi		None
47	Proportional Representative	Clr N B Sikhakhane		None
49	Proportional Representative	Clr V V Vilakazi		None
Municipal Manager		Mr V N Mpila		Nelson Holinhlanhla Business Development Services, Mpila 2 Driving School(Spouse) and Mayflower Filling Station
Chief Financial Officer (Deputy)		Mr P J Nhlabathi		None
Director: Community Services		Mr Z F Mkhwanazi		55 Shares with SASOL Inzalo
Director: Corporate Services		Mr S F Mndebele		Mndebs Trading cc, Kangezi Trading (Spouse) / and Siyakha Isizwe Trading Enterprise (Spouse)
Director: PED		Mr T A Lukhele		Inkululeko Yesize T and N Trading cc(Spouse)
Director: Public Safety		Mr K B Makgopa		None
Director: Technical Services		Mr D M Modimogale		None
Manager: PMU		Mr B Mduyulwa		50% Owner of Imhotep Consulting Engineers and Property Developers
Other S57 Officials				

## CHAPTER 5

### FINANCIAL PERFORMANCE

#### Introduction

The core mandate of the Department Finance and Treasury was Accounting, Budgeting, Revenue Collection and Debt Management, Financial Management, Treasury, and Supply Chain Management.

#### Services offered by the Department

- Identify and pursue opportunities in order to increase the revenue base
- Develop a set of specific performance measurements to ensure that budgets are spent effectively within the limits
- Develop, implement and monitor all budgetary processes, being capital and operational
- Develop and review procedures, by-laws and policies for the Department
- Review the tariffs for all services rendered by the Municipality
- Maintain debt reduction and financial stabilisation
- Ensure the rolling out of Free Basic Services
- Monitor the cash flow of the Municipality

Amongst other functions, the Department was responsible for the management of all the financial affairs of the Municipality, advice to the Municipal Manager and the Municipal Council on financial management decisions, and to promote and monitor good financial government for the Municipality.

In terms of section 52 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) the mayor of a municipality must provide general political guidance over the fiscal and financial affairs of the municipality; in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities; must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.

Financial viability is one of the five important Key Performance Areas in Local Government. The financial health and performance of Chief Albert Luthuli Local Municipality was continuing to show significant improvement from the previous financial year. The sustainability of the Municipality was dependent on expanding its revenue in relation to costs and its financial viability, whilst implementing its mandate. Low economic growth, high unemployment, low skills levels, and high levels of poverty and exist within the municipality.

#### 5.1 Financial Overview

The increase in grant revenue emanated from the 100% spending on Municipal Infrastructure Grant (MIG), Financial Management Grant (FMG) and Municipal System Improvement Grant (MSIG). The other revenue increase was due to assets donated by the Gert Sibande District Municipality that amounted to R10.732.760, and the interest earned on outstanding accounts that amounted to R16.058.562.

Financial performance of the Municipality related to its ability to use the economic resources available in a profitable manner and how well it managed to generate considerable cash flows by consuming such resources. The Municipality had a deficit of R29.606.739 which mainly was affected by the non-cash items, the depreciation of R94.508.594, and debt impairment of R34.216.243.

<b>Statement of Financial Performance</b>			
	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>
Property rates	31.180	31.180	31.158
Service charges	32.026	28.182	29.443
Investment revenue	1.750	1.750	1.758
Transfers recognised - operational	171.064	162.868	268.343
Other own revenue	10.725	10.667	30.540
<b>Total Revenue</b>	<b>246.744</b>	<b>234.646</b>	<b>361.242</b>
Employee costs	83.296	75.870	95.987
Remuneration of councillors	13.230	13.230	12.603
Depreciation and asset impairment	2.000	2.000	128.725
Materials and bulk purchases	17.158	26.790	31.363
Other expenditure	131.060	116.756	122.171
<b>Total Expenditure</b>	<b>246.744</b>	<b>234.646</b>	<b>390.849</b>
<b>Surplus/(Deficit)</b>	<b>(0)</b>	<b>-</b>	<b>(29.607)</b>

The reason for the adjustment budget was the under-collection in service charges, electricity, water, refuse removal and sanitation. The actuals on grants included both the operational and capital grants. The capital grants income was recognised only if the condition of the grant was met.



## Oversight Committee

The Audit and Performance Committee evaluated the Annual Financial Statements. The Financial Statements were approved by the Audit Committee before submission to the Auditor-General as per Council decision.

### Accurate Billing

As reported in the previous financial year, the Municipality engaged on a data cleaning exercise with the objective of improving the credibility of the billing database. A number of accounts across the categories of debtors with faults were identified, and the Municipality was in the process of reconciling and correcting the accounts.

The Municipality conducted data cleansing and visited 7.221 households to ensure accurate billing. New accounts were created through the data cleansing exercise. The Municipality had challenges with the information captured onto the financial management system, incorrect addresses, invalid identity numbers, and wrong owners. The information collected from the survey was corrected on the financial management system.

## 5.2 GRANTS

The Municipality received the conditional grant in terms of the Division of Revenue Act. The grant was spent as per the intended purpose.

**The Municipality spent 100% on the MIG, MSIG and FMG. The unspent grant at year-end was R1.385.823.34.**

The Municipality experienced cash flow challenges in February, March, May and June 2013. Based on the Financial Statements as at 30 June 2012, the Municipality had creditors of R26.389.785; those creditors were paid in the current financial year. The payments of R26.389.785 affected the cash flow for the current financial year, and R15.5 million was borrowed from the Investment Portfolio before the end of June 2012. The accruals were not cash-backed, and that affected the Budget for the 2012/13 financial year. Not all creditors were paid within 30 days after the receipt of an invoice in terms of section 65(2)(e) of the MFMA. The Municipality lost interest on investment due to the withdrawals from the investment.

The revenue collection improved to an average of 94% as at 30 June 2013. Two debt collectors were assisting the Municipality with collection of the outstanding debtors.

### 5.2.1 Grants performance

Chief Albert Luthuli Municipality received the conditional grant in terms of the Division of Revenue Act. The grants were spent as per the intended purposes.

DESCRIPTION	OPENING BALANCE 01/07/2012	AFS	Prior period error	RESTATED OPENING BALANCE 01/07/2012	RECEIPTS 2012/13	Expenditure limited to grant received	BALANCE 31/06/2013
DWAF	1,354,773.00	1,354,773.00	-1,354,773.00	-	8,145,000.00	7,790,527.36	354,472.64
MIG GRANT				-	77,236,000.00	77,236,000.00	-
DPLG	228,831.39	228,831.39		228,831.39	-	-	228,831.39
MSIG				-	860,000.00	860,000.00	-
Department of Arts and Culture	199,666.00	199,666.00		199,666.00	-	-	199,666.00
DME	-	-		-	16,200,000.00	15,631,165.50	568,834.50
FMG	708,434.00	708,434.00		708,434.00	1,250,000.00	1,958,434.00	-
Development bank of SA	173,157.00	173,157.00		173,157.00		173,157.00	-
ACIP	2,808,477.00	2,808,477.00		2,808,477.00		2,808,477.00	-
Human Settlement				-	1,423,731.04	1,423,731.04	-
EPWP				-	1,386,000.00	1,351,981.19	34,018.81
<b>Total</b>	<b>5,473,338.39</b>	<b>5,473,338.39</b>	<b>-1,354,773.00</b>	<b>4,118,565.39</b>	<b>106,500,731.04</b>	<b>109,233,473.09</b>	<b>1,385,823.34</b>

The Municipality received conditional and unconditional grants in terms of the Division of Revenue Act.

Application to rollover unspent conditional grants was forwarded to National Treasury. No approval was granted, and an amount of R6.725.000 was deducted from the Equitable Share allocation for November 2012. Further correspondence was forwarded to National Treasury to indicate that such funds were committed or spent in the 2011/12 financial year and disclosed in the 2011/12 financial statements. The amount deducted was refunded to the Municipality with the March 2013 allocation, after the adjustment budget was approved by Council. The amount deducted from Equitable Share was refunded with the March 2013 Equitable Share allocation, after National Treasury was satisfied with the evidence provided by the Municipality.

Name of Grant	Name of Organ of State	Amount per DoRA	Actuals
Equitable Share	National Treasury	R159.110.000	R159.110.000

Unconditional grants could be used for any purpose the Municipality saw fit.

Conditional grants, on the other hand, were conditional allocations made to municipalities from the national government's share of revenue raised nationally, which were provided for, and its purpose was specified in the annual Division of Revenue Act referred to in section 214(1)(c) of the Constitution of the Republic of South Africa, 1996. Conditional grants were monies transferred for a specific purpose that may not be used for any other project.

### 5.3 Asset Management

Asset management, broadly defined, referred to any system that monitored and maintained things of value at an entity or group. It may apply to both tangible assets, such as buildings, and to intangible concepts, such as [intellectual property](#) and [goodwill](#). Asset management was a systematic process of operating, maintaining, upgrading, and disposing of assets cost-effectively.

The over-arching objective of the Municipality in terms of institutional management was to ensure that the effective, efficient and coordinated financial management of all assets under its control took place. The Asset Register of the Municipality was updated until 30 June 2013. The Municipality had challenges with other properties that were still registered under Provincial Government, while the Municipality had total control over those assets.

Asset management was crucial for the sustainability of the Municipality and to ensure sustainability of service delivery. The demand for service delivery had direct impact on the ability of the infrastructure to cope with the demand. The objective was to upgrade the infrastructure to improve capacity. Repairs and maintenance expense were the costs incurred to bring an asset back to an earlier condition or to keep the asset operating at its present condition. Ordinary maintenance and repairs of fixed assets were activities that owners or users of fixed assets were obliged to undertake periodically in order to be able to utilise assets over their expected service lives (they were current costs that could not be avoided if the fixed assets were to continue to be used).

Maintenance and repairs did not change the fixed asset or its performance, but simply maintained it in good working order or restored it to its previous condition in the event of a breakdown.

In the 2012/13 financial year assets were upgraded, and new assets were created.

### 5.4. FINANCIAL RATIOS AND OPERATING RATIOS

#### 5.4.1 Financial ratios based on key performance indicators

The current ratio was 1:93 which was below the current norm of 1:2.

#### 5.4.2 Liquidity Ratios

The Employee Related Costs was below the 24.54% of the actual expenditure incurred in 2012/13 financial year.

Operating Ratios	
Details	%
Employee Cost	24.54%
Repairs and Maintenance	8.02%
Finance Charges and Depreciation	33.30%

### 5.5 Total Capital Expenditure

The Municipality spent 100% on MIG, 96.6% on DWA, and 96.5% on DME, which had an impact on capital projects funded through grants.

Details	2011/12	2012/13
Original Budget	R126.765	R132.916
Adjustment Budget	R143.416	R101.719
Actual	R 82.673	R100.279

### 5.6 Sources of Finance

There were various sources of income that could be used by municipalities to finance their expenditure. This section outlined the various sources of municipal income, and looked at ways of deciding which would be best for a municipality's needs.

Main sources of capital budget financing:

- External loans
- Contributions from revenue
- Government grants
- Donations and public contributions
- Public/Private Partnerships

Main sources of operational budget financing:

- Property Rates
- Service Charges
- Fines
- Equitable Share

The capital budget was funded by the Municipal Infrastructure Grant, Department of Water Affairs, Department of Energy, and revenue generated from own sources.

<i>Source of Finance</i>	<i>Original Budget</i>	<i>Adjustment Budget</i>
Grants	R101.125.200	R97.719.200
Internally generated funds	R 31.790.802	R 4.000.000
<b>Total</b>	<b>R132.916.002</b>	<b>R101.719.200</b>

**5.6.1 Disclosure of Grants and Subsidies in terms of section 123 of the MFMA for the year ended 30 June 2013**

<i>Description</i>	<i>Opening Balance 01/07/2012</i>	<i>AFS</i>	<i>Prior Period Error</i>	<i>Restated Opening Balance 01/07/2012</i>	<i>Receipts 2012/13</i>	<i>Expenditure Limited To Grant Received</i>	<i>Balance 30/06/2013</i>
DWAF	R1.354.773.00	R1.354.773.00	-R1.354.773.00	-	R 8.145.000.00	R 7.790.527.36	R 354.472.64
MIG				-	R77.236.000.00	R 77.236.000.00	-
DPLG	R 228.831.39	R 228.831.39		R 228.831.39	-		R 228.831.39
MSIG				-	R 860.000.00	R 860.000.00	-
DCSR	R 199.666.00	R 199.666.00		R 199.666.00	-		R 199.666.00
DME	-	-		-	R16.200.000.00	R 15.631.165.50	R 568.834.50
FMG	R 708.434.00	R 708.434.00		R 708.434.00	R 1.250.000.00	R 1.958.434.00	-
DBSA	R 173.157.00	R 173.157.00		R 173.157.00		R 173.157.00	-
ACIP	R2.808.477.00	R2.808.477.00		R2.808.477.00		R 2.808.477.00	-
DoHS				-	R 1.423.731.04	R 1.423.731.04	-
EPWP				-	R 1.386.000.00	R 1.351.981.19	R 34.018.81
<b>Total</b>	<b>R5.473.338.39</b>	<b>R5.473.338.39</b>	<b>-R1.354.773.00</b>	<b>R4.118.565.39</b>	<b>R106.500.731.04</b>	<b>R109.233.473.09</b>	<b>R 1.385.823.34</b>

## COMPONENT B

### SPENDING AGAINST CAPITAL BUDGET

#### Introduction

Chief Albert Luthuli Municipality spent 100% of its Municipal Infrastructure Grant allocation for 2012/13. Projects funded from own sources were implemented as required.

#### 5.7.1 Capital Expenditure

<i>Total Capital Expenditure 2012/13</i>	<i>2011/12</i>	<i>2012/13</i>
Original Budget	R126.765	R132.916
Adjustment Budget	R143.416	R101.719

#### 5.7.2 Capital Spending on 5 Large Projects

The five large capital spending projects were the following:

<i>No.</i>	<i>Name of the Project</i>	<i>Amount</i>
1	Upgrading pumping capacity and retrofitting of Carolina Water Scheme	R7.836.400
2	Construction of Ekulindeni Ring Road	R7.017.840
3	Construction of Badplaas Ring Road	R7.017.840
4	Tarring of Nhlanzatshe 3 Road (3.5km) R16.005.328	R6.945.941
5	Replacement of AC Pipes in Silobela Ext 1	R6.473.700

## COMPONENT C

### CASH FLOW MANAGEMENT AND INVESTMENTS

#### Introduction

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) a municipality must establish an appropriate and effective cash management and investment policy. Within this policy, a municipality must:

- Conduct its cash management and investments; and
- Invest money not immediately required.

Surplus cash referred to money that was not immediately required for expenditure; this surplus could include income from rates and services, rents, fines, grants, subsidies, levies and interest earned on investments. Investments were placed with creditworthy institutions with an investment grade rating of A or better, from nationally recognised credit rating agencies. The Department reported regularly to the Executive Mayor, the Finance Portfolio Committee, the Auditor-General and the National Treasury, in order to assess the performance of the investment portfolio and to ensure that the investments complied with policy objectives, guidelines, applicable laws and regulations.

#### 5.8.1 Cash Flow

It was evident that inaccurate forecasting on revenue from own source resulted in negative cash positions. This inability to accurately forecast income not only adversely affected service delivery, but also placed increasing strain on municipalities.

Cash flow management was of the utmost importance. The Municipality needed to ensure that the income was generated as planned. Cost curtailment measures were implemented to ensure that the municipality was financially viable. The Municipality experienced serious cash flow challenges in March, May and June 2013. Money was borrowed from the Investment Portfolio to ensure sustainable service delivery. The cash flow of Council was monitored and reported on monthly basis.

National Treasury took a decision to reduce the equitable share allocation for November 2012 by R6 725 000.00, as per the Council resolution that the Executive Mayor and the Municipal Manager and the Deputy CFO should persuade National Treasury to refund the municipality. A meeting was held on the 11 February 2013 where in it was resolved that the money will be paid back with the March 2013 equitable share. The amount withheld was deposited to the municipal bank account on the 22nd March 2013.

The amount affected the municipality negatively in February and March as the municipality is grant dependant.

#### Reconciliation of Budget Cash Flow

The Auditor-General found that the financial statements fairly presented the Municipality's financial position, financial performance and cash flow for the 2012/13 financial year in all material respects, and were in accordance with the South African Standards of Generally Recognised Accounting practice (GRAP). The Municipality as at 30 June 2013 had a positive cash flow balance.

<b>Cash Flow as at 30 June 2013</b>	
<b>R'000</b>	
<b>Cash Flow from Operating Activities</b>	
<b>Receipts</b>	
Ratepayers and other	31.158
Grants	276.343
Interest	17.817
Other Receipts	3.808
Total Receipts	329.126
<b>Payments</b>	
Suppliers and employees	218.788
Finance charges	878
Services and Taxes	23.763
Total Payments	243.429
<b>Net Cash from Operating Activities</b>	<b>85.697</b>
<b>Cash Flow from Investing Activities</b>	
<b>Receipts</b>	
Purchase of PPE	(100.279)
Proceeds from Sale of Investment	12.827
<b>Net Cash From/(used) Investing Activities</b>	<b>(87.452)</b>
<b>Cash Flow from Financing Activities</b>	
<b>Receipts</b>	
Other Liability	839
Finance Lease payments	(220)
<b>Net Cash from/(used) Financing Activities</b>	<b>619</b>

<b>Cash Flow as at 30 June 2013</b> <b>R'000</b>	
<b>Net Increase/(decrease) in Cash Held</b>	<b>(1.136)</b>
Cash/cash equivalents at the year begin	2.331
Cash/cash equivalents at the year end	1.195

## 5.8.2 Borrowings and Investments

In terms of the said Municipal Finance Management Act, a municipality may only borrow funds for the purpose of acquiring assets, improving facilities or infrastructure to provide basic service delivery.

Investment was the purchase of a financial product or other item of value with an expectation of favourable future returns. In general terms, investment means the use of money in the hope of making more money.

Before money could be invested, the Chief Financial Officer had to determine whether there will be surplus funds available, and had to fix the term for which such money should be invested. In order to be able to make investments for any fixed term, it was essential that cash flow estimates were drawn up. No additional investment was made in the current financial year.

In the 2012/13 financial year the Municipality did not make any borrowings.

## 5.9 PUBLIC-PRIVATE PARTNERSHIPS

A public-private partnership (PPP) was a contract between a government institution and a private party, where the private party performed an institutional function and/or used state property in terms of output specifications. Substantial project risk (financial, technical, and operational) was transferred to the private party, and the private party benefitted through unitary payments from government budgets and/or user fees. Chief Albert Luthuli Municipality had no such partnership in the 2012/13 financial year.

## 5.10 OTHER FINANCIAL MATTERS

### 5.10.1 Supply Chain Management

The Municipality revised its Supply Chain Management Policy through the budget process for the 2012/13 financial year. The Finance Department reported the supply chain activities monthly to the Mayoral Committee. All non-compliance was reported to Council and disclosed as such in the Annual Financial Statements.

No Councillors were part of any SCM committee. The Bid Specification, Bid Evaluation and Bid Specification Committees were appointed in writing by the Accounting Officer. All deviations were reported to Council on a monthly basis. The deviations would be disclosed correctly in the Annual Financial Statements.

### 5.10.2 GRAP Compliance

The Annual Financial Statements of Chief Albert Luthuli Municipality for the 2012/13 financial year complied in all material respects with General Recognised Accounting Practice (GRAP).

### 5.10.3 Disclosure of financial interests

	<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests (Nil or Details)</b>
1	Executive Mayor	Clr B P Shiba	Investment with Old Mutual and Clientele Life
2	Member Mayoral Committee	Clr W M Mngomezulu W21	None
3	Member Mayoral Committee	Clr N M Mnisi	None
4	Member Mayoral Committee	Clr Q G Thabethe	None
5	Speaker of the Council	Clr S M Nkosi	Trustee of Samkethe Property Trust and Family Trust
6	Council Whip	Clr D P Nkosi	None
7	Chairperson: MPAC	Clr V S Shabangu	None
8	Municipal Councillor	Clr F E Nkosi W9	Ukukhula Komnotho Investment / Somhlolo Trust (Trustee)
9	Municipal Councillor	Clr G J Nkosi W18	None
10	Municipal Councillor	Clr F J Ntuli W14	None
11	Municipal Councillor	Clr M L Steenkamp W11	None
12	Municipal Councillor	Clr N J Nkabinde W5	None
13	Municipal Councillor	Clr A D Nkosi W12	Director for Luvo Business Enterprise Oxy Trading cc
14	Municipal Councillor	Clr M E Maduna W2	None
15	Municipal Councillor	Clr N G Thomo W16	None
16	Municipal Councillor	Clr B M Masuku W13	None
17	Municipal Councillor	Clr J S Mbhele W20	Juks and Thebs Construction / Ingongoni Security Services and Financial Valuer
18	Municipal Councillor	Clr T E Zwane W4	None
19	Municipal Councillor	Clr T W Motha W24	None
20	Municipal Councillor	Clr E B Mkhabela W10	None
21	Municipal Councillor	Clr E J Lubede W23	Act of Grace – Board member
22	Municipal Councillor	Clr J Vilakazi W17	None

	<b>Position</b>	<b>Name</b>	<b>Description of Financial Interests (Nil or Details)</b>
23	Municipal Councillor	Clr J P Soko W6	None
24	Municipal Councillor	Clr S F Mthombeni W22	None
25	Municipal Councillor	Clr N I Mdluli W3	None
26	Municipal Councillor	Clr T W Zulu W7	None
27	Municipal Councillor	Clr S J Nkosi W8	None
28	Municipal Councillor	Clr R G Vilakazi W1	None
29	Municipal Councillor	Clr M J Nkosi W19	None
30	Municipal Councillor	Clr S Z Nkosi W25	None
31	Municipal Councillor	Clr J A Simelane W6	None
32	Proportional Representative	Clr N R Cindi	None, Owner of airtime Vendor
33	Proportional Representative	Clr Z M Dlodlu	None
34	Proportional Representative	Clr J Makene	None
35	Proportional Representative	Clr S T Q Malaza	Buhle Buyeza Trading and Nabonkosi Plant Hire
36	Proportional Representative	Clr T J Motha	None
37	Proportional Representative	Clr H J McGinn	A farmer – Sole Proprietor
38	Proportional Representative	Clr L D Shabangu	None
39	Proportional Representative	Clr P P Mhlanga	None
40	Proportional Representative	Clr N V Makhubelo	None
41	Proportional Representative	Clr A Ngubeni	None
42	Proportional Representative	Clr J S Nkosi	C J Nkosi and Son Transport / KYP Construction and Projects
43	Proportional Representative	Clr M H Nkosi	None
44	Proportional Representative	Clr N M Nkosi	None
45	Proportional Representative	Clr V L Nkosi	None
46	Proportional Representative	Clr F D M Phakathi	None
47	Proportional Representative	Clr N B Sikhakhane	None
49	Proportional Representative	Clr V V Vilakazi	None
	Municipal Manager	Mr V N Mpila	Nelson Holinhlhla Business Development Services, Mpila 2 Driving School(Spouse) and Mayflower Filling Station
	Chief Financial Officer (Deputy)	Mr P J Nhlabathi	None
	Director: Community Services	Mr Z F Mkhwanazi	55 Shares with SASOL Inzalo
	Director: Corporate Services	Mr S F Mdebele	Mdebs Trading cc, Kangezi Trading (Spouse) and Siyakha Isizwe Trading Enterprise (Spouse)
	Director: PED	Mr T A Lukhele	Inkululeko Yesize T and N Trading cc(Spouse)
	Director: Public Safety	Mr K B Makgopa	None
	Director: Technical Services	Mr D M Modimogale	None
	Manager: PMU	Mr B Mdutyulwa	50% Owner of Imhotep Consulting Engineers and Property Developers
	Other S57 Officials		

# CHAPTER 6

## AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A

#### Introduction

In terms of section 188(1)(b) of the Constitution, the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities.

In terms of section 45 of the MSA, the results of performance measurement ... must be audited annually by the Auditor-General - refer to the Annual Financial Statements set out in Volume II hereof, the timescale for the audit of these accounts, the audit of performance, and the production of reports on these matters by the Auditor-General as set out in this Chapter xxx.

## AUDITOR-GENERAL OPINION ON FINANCIAL PERFORMANCE 2011/12

### 6.1 AUDITOR GENERAL REPORTS 2011/12

#### 6.1.1 Auditor-General Report on Service Delivery Performance 2011/12

<i>Auditor-General Report on Financial Performance 2011/12</i>	
<b>Audit Report Status*</b>	<b>Disclaimer</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Unable to determine whether Accumulated Surplus adjustments were necessary	Resolved
Not able to obtain assurance whether cash and cash equivalent was complete or evaluated correctly	Resolved
Completeness, valuation and existence of consumer receivables	Resolved
Disclaimer on trade and payables	Resolved
Unable to determine whether adjustment to property, plant and equipment was necessary	The Municipality did not disclose all the Assets in its Annual Financial Statements

#### 6.1.2 Auditor-General Report on Financial Performance 2011/12

<i>Auditor-General Report on Financial Performance 2011/12</i>	
<b>Audit Report Status*</b>	<b>Disclaimer</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Reported targets were not consistent when compared to the planned targets	To ensure that SDBIP is specific, measurable, accurate, realistic and time bound (S.M.A.R.T.)
Reported objectives were not consistent when compared to the planned objectives	To correct the unit of measure when planning
Reported indicators were not consistent when compared to the planned indicators	To try to quantify the indicators

## COMPONENT B

### AUDITOR-GENERAL OPINION ON FINANCIAL PERFORMANCE 2012/13

#### 6.1.3 Auditor-General Report on Service Delivery Performance 2012/13

<i>Auditor-General Report on Service Delivery Performance 2012/13</i>	
<b>Audit Report Status*</b>	<b>Qualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Revisions to the service delivery and budget implementation plan were not considered and therefore not approved by the council after the approval of the adjustments budget, as required by section 54(1)(c) of the Municipal Finance Management Act	Revised the 2013/14 SDBIP after the budget adjustment to ensure alignment
Reported indicators/measures were not consistent or not complete when compared with planned indicators/measures	The SDBIP will be reviewed after the adjustment in January to ensure that it is SMART >The PMS to develop a checklist that will used as test to verify if the Annual report to be submitted is accurate, complete and valid > Any inconsistencies be corrected
The Municipality did not include measures taken to improve performance for all targets not achieved	The Quarterly Reporting template improved to indicate actual performance per quarter versus target, reasons for deviations and corrective measures
Upon inspection of the Mayoral committee progress report for Oct 2012 and May 2013, the system used by the municipality to report on service delivery is not devised in such a way that it serves as a early warning indicator for under- performance	The Quarterly Reporting template improved to indicate actual performance per quarter versus target, reasons for deviations and corrective measures
Not all actual achieved performance could be verified against source documentation	Quarterly actual performance supported by portfolio of evidence that is audited by the Internal Audit before the actual evaluation by Performance Audit Committee >The MM/PMS Manager to come up with adequate verification tool > During preparing of the SDBIP Section manager to know what type of supporting documentation is required for verification >Develop a checklist to test the accuracy, completeness and validity of information

#### 6.1.4 Auditor-General Report on Financial Performance 2012/13

<i>Auditor-General Report on Service Delivery Performance 2012/13</i>	
<b>Audit Report Status*</b>	<b>Qualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Selected Assets could not be traced from the Asset Register	Interact with Provincial Treasury to formally transfer Asset to the Municipality
Creditors not paid within 30 days	Ensure that all Creditors are paid within 30 days after receipt of an invoice
Expenditure incurred in excess of budgeted amount	To ensure that all procurements are within budget limits
Irregular expenditure incurred	All irregular expenditure were reported to Council
Fruitless and wasteful expenditure	All fruitless and wasteful expenditure were reported to Council

#### 6.2 Auditor-General Opinion 2012/13

***The Auditor General had concluded audit on the audit of the municipality on time as stipulated on the MFMA, and the Auditor General was able to expressed an opinion which was a qualification, issues that fundamentally contributed to the findings had already been highlighted above and the Municipality had developed a programme of action to address such matters.***

***Details of such findings are reflected on the attached actual report of the auditor general, the municipality will endeavour to do everything\'; on its power to make sure that the raised issued are finally addressed for good in order to ensure that a clean and transparent governance is rendered es espoused by our vision.***



**COMPONENT C**

**AUDITOR GENERAL REPORT  
ON THE FINANCIAL STATEMENTS 2012/13**

The Report of the Auditor-General on the 2012/13 Annual Financial Statements is attached hereto.

The opinion of the Auditor-General is the true state of affairs of Chief Albert Luthuli Municipality as at 30 June 2013. The financial statements were reviewed by the Audit Committee before submission to the Auditor-General. The Draft Audit Report was discussed with the Audit Committee.

The Annual Financial Statement 2012/13 is reflected in Volume II of this report.

**6.4 MFMA Section 71 Responsibilities**

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year.

All the in year reporting, monthly, quarterly and mid-year performance assessment was submitted in terms of section 71 and 72 of the MFMA.

**Signed by the Accounting Officer .....**

**Date .....**

## Appendix A

### Audit Committee Report 2012/13

We were pleased to present our report for the financial year ended 30 June 2013.

#### Audit committee members and attendance

The audit committee consisted of the members listed hereunder and meet at least 4 times per annum as per its approved terms of reference. During the current year meetings were held.

Name of member	Number of meetings attended
Tebogo Gafane (Chairperson)	4
Xholani Khumalo	3
Sanele Gumbi (Joined committee in	2
Mmabatho Sepuru (Joined committee in	2

#### Audit committee responsibility

the audit committee reported that it had complied with its responsibilities arising from section 166(2)(a) of the MFMA and Treasury Regulation 3.1. the audit committee also reported that it had adopted appropriate formal terms of reference as its audit committee charter, had regulated its affairs in compliance with this charter and had discharged all its responsibilities as contained therein.

#### The effectiveness of internal control

The system of internal control applied by the municipality over financial and operational controls were found by the committee to be effective, efficient and transparent. Internal audit provided the audit committee with reasonable assurance that internal controls were appropriate and effective and that was achieved by means of applying a risk based approach.

The quality and content of in-year management and internal audit quarterly reports submitted to the committee in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) enabled the committee to inform itself on the state of the municipality operational and financial controls. Accordingly we could report that the system of internal control over financial reporting for the period under review was effective and efficient.

#### Evaluation of annual financial statements

The audit committee was able to review and discuss the draft annual financial statements with management prior their submission. The review covered the following areas:

- determining the extent to which the Auditor-General of South Africa's recommendations were implemented
- reviewed changes in accounting policies and practices
- application of new or additional GRAP standards and their impact on the financials
- reviewed the municipality compliance with legal and regulatory provisions relating to preparation of financials
- reviewed significant adjustments resulting from the previous audit.
- reviewed disclosure notes to the financials
- reviewed performance information to support the reported expenditure.

The audit committee was of the view that the draft annual financial statements presented by the accounting officer were free from any material misstatements, and were of the opinion that the draft annual financial statements should be accepted and read together with the supporting notes and schedules.

#### Internal audit function and its effectiveness

The audit committee was not satisfied that the internal audit function operation as it was unable to address all risks pertinent to the municipality. This was mainly due to capacity constraints within the unit. The municipality was unable fill all vacancies with the unit in the year under review.

The committee is of the view that the unit was ineffective for the year 2012/13 as it was unable to discharge its responsibilities as set out in the approved audit plan.

#### Evaluation of Auditor General Report

The audit committee was able to review and discuss the management letter and the draft audit report together with the significant adjustments to be included in the annual financial statements prior to the conclusion by the Auditor-General of South Africa.

It was the view of the audit committee that the municipality had improved its performance from the previous year as issues raised by the Auditor-General were adequately addressed, except for asset management which had an adverse effect on the municipality's audit outcome.

the audit committee concurred and accepted the Auditor-General's conclusion on the annual financial statements and performance information and was of the opinion that the audited annual financial statements and performance information should be accepted and read together with the report of the Auditor-General of South Africa.

On behalf of the Audit Committee  
T Gafane (Chairperson)

Municipal Audit Committee Recommendations		
Date of Committee Meeting	Committee Recommendations 2012/13	Committee recommendations adopted (Yes), if not adopted provide an explanation
24 August 2012	The Performance Management Policy Framework be restructured	Adopted

## Appendix ...

### Third Tier Administrative Structure

Directorate	Manager (State title and name)	
<b>Office of the Municipal Manager</b>	<b>Manager: Office of the Executive Mayor</b>	<b>Mr J Wonderboy Shabangu</b>
	<b>Manager: Performance Management System</b>	<b>Mr Paulos A Nkosi</b>
	Chief Risk Officer	<b>Ms Senzikele R Mavimbela</b>
	Head : Internal Audit	<b>Mr Bheki A Maseko</b>
<b>Financial Services</b>	Manager: Income	<b>Mr Dumisani M Gininda</b>
	Manager: Expenditure	<b>Mr Oupa G Hlope</b>
	Manager: Supply Chain	<b>Mr Nkosana S Mlangeni</b>
<b>Corporate Services</b>	Manager: Administration and Secretarial Services	Mr Solomon M Mathebula
	Manager: Human Resources	Mr Vusi E Soko
	Manager: Legal Services	Mr Africa N Mavimbela
<b>Technical Services</b>	Manager: Electricity	Ms Molly Vilakazi
	Manager: Water and Sanitation Services	Mr Mxolisi E Gumede
	Manager: Public Works Roads and Stormwater Management	<b>Mr Mbuso Magubane</b>
<b>Community Services</b>	Manager: Environmental Health Services	Ms Nthabiseng P Thabethe
	Manager: Community Development	<b>Vacant</b>
<b>Planning and Economic Development Services</b>	Manager: Integrated Development	Ms Wanda M Mkhwanazi
	Chief Town and Regional Manager	Mr H P Maluleke
	Manager: Housing	<b>Mr John A Mndawe</b>

## Appendix ...

### Functions of the Municipality

<i>Municipal Functions</i>	<i>Function Applicable to the Municipality (Yes / No)</i>	<i>Municipal Department Responsible</i>
Building regulations	Yes	Planning and Economic Development
Control of undertakings that sell liquor to the public	Yes	
Licensing and control of undertakings that sell food to the public	Yes	
Local tourism	Yes	
Markets	Yes	
Municipal abattoirs	Yes	
Municipal planning /IDP	Yes	
Street trading	Yes	
Trading regulations	Yes	
Electricity reticulation	Yes	Technical Services
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other	Yes	
Municipal roads	Yes	
Storm water management systems in built-up areas	Yes	
Street lighting	Yes	
Billboards and the display of advertisements in public places	Yes	Public Safety
Control of public nuisances	Yes	
Public places	Yes	
Noise pollution	Yes	
Licensing of dogs/motor	Yes	
Traffic and parking	Yes	
Disaster coordination and management	Yes	
Firefighting services	Yes	
Municipal public transport	No	
Municipal health services	No	Community Services
Child care facilities	No	
Air pollution/pollution	No	
Cemeteries	Yes	
Cleansing	Yes	
Facilities for the burial of animals	Yes	
Fencing and fences	Yes	
Local amenities/Libraries	Yes	
Municipal parks and recreation	Yes	
Pounds	No	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Local sport facilities	Yes	
Municipal airports	No	

## Appendix ...

### Long Term Contracts and Public-Private Partnerships

<i>Public Private Partnerships entered into 2012/13</i>					
<i>Name and Description of Project</i>	<i>Name of Partner(s)</i>	<i>Initiation Date</i>	<i>Expiry date</i>	<i>Project Manager</i>	<i>Value 2012/13 (R)</i>
Supply and Delivery of Mayor's Vehicle	McCarthy Kunene Witbank	24/07/12	29/08/12	Corporate Services (Council)	794 684.22
Supply and Delivery of Envelopes for Billing Purpose	Guduza Trading Enterprise	24/07/12	23/07/13	Finance	1 440 504.00
Supply, Delivery of Material on Site, Installation and Commissioning of LV/MV Electrification Infrastructure for Electrification Cluster 1 (Ward 10, 14, 15, 21, 22)	Kapa Bokoni Trading and Projects	24/07/12	23/01/13	PMU	6 379 025.91
Replacement of Bulk AC pipes from Caro park Reservoir to Silobela	PLS Construction JV Kapa Bokoni	21/08/12	20/02/13	PMU	6 155 092.00
Supply, Delivery of Material on Site, Installation and Commissioning of LV/MV Electrification Infrastructure for Electrification Cluster 2 (Sithobeni, Bampone, Glenmore B and Mayflower Gate)	Alpheus Electrical JV KF Phetla Project	21/08/12	20/02/13	PMU	3 718 053.95
Design and Construction of Paved Road in Badplaas	Setshaba Consortium	21/08/12		PMU	17 324 500.00
Design and Construction of Paved Road in Ekulindeni	Mbodvula Civils and Electrical	21/08/12		PMU	31 554 147.13
Design and Construction of Paved Road in Mayflower	Bhutana Earth Scientist and Malo JV	21/08/12		PMU	30 780 000.00
Professional Services for Construction of Carolina Landfill Sites	Bhutana Earth Scientist	21/08/12		PMU	3 186 439.08
Professional Services for Construction of Carolina Taxi Rank	AEC Consulting	21/08/12		PMU	826 679.04
Professional Services for Construction of Tjakastad Taxi Rank	Mafahleni Engineers and Project Managers	21/08/12		PMU	990 421.05
Upgrading of Pumping Capacity and Retro-Fitting of Eerstephoek Water Scheme	27 Years Robben Island Construction	26/11/12	25/05/13	PMU	1 166 169.84
Upgrading of Pumping Capacity and Retro-Fitting of Carolina Water Scheme	Mechciv Construction JV Lefiso Projects Cc	03/09/12	02/03/13	PMU	6 789 724.06
Design and Installation, Commissioning of 16 High mast Lights Within Chief Albert Luthuli Municipality	Phumi Trading JV Lihlez Infrastructure	03/09/12	02/03/13	PMU	3 960 282.49
Design and Installation, Commissioning of 100 Street Lights in Carolina and Nhazatshe	Wanga Power Projects JV Thulatshepo General Trading	03/09/12	02/03/13	PMU	1 125 776.22
Professional Services for the replacement of AC pipes in Eerstephoek Water Scheme	Nathoo Mbenyane Engineers	03/10/12	02/10/14	PMU	7 536 825.00
Professional Services for the upgrading of Badplaas Water Scheme	Bhutana Earth Scientist and Project Manager	03/10/12	02/10/14	PMU	4 332 730.28
Professional Services for the Water Reticulation in Silobela Ext 2 and 3	Thoko Consulting Engineers	03/10/12	02/02/13	PMU	120 270.00
Professional Services for the Construction of 500 toilets top structure in Silobela Ext 2 Ext 3	Bhutana Earth Scientist and Project Manager	03/10/12	02/05/13	PMU	684 000.00
Construction of VIP Toilets	Mangalambila Trading cc	30/11/12	01/03/13	PMU	222 000.00
Construction of VIP Toilets	Abasha Phezulu Business Enterprise	30/11/12	01/03/13	PMU	294 720.00
Construction of VIP Toilets	Vic Vise Trading cc	30/11/12	01/03/13	PMU	206 250.00
Construction of VIP Toilets	Mhlase Business Enterprise	30/11/12	01/03/13	PMU	222 750.00
Construction of VIP Toilets	DN Service Provider	30/11/12	01/03/13	PMU	227 700.00
Construction of VIP Toilets	Dreamland Construction	30/11/12	01/03/13	PMU	222 750.00
Construction of VIP Toilets	Good Future Trading and Project 96	30/11/12	01/03/13	PMU	249 660.00 (incl VAT)
Construction of VIP Toilets	Bhane General Trading and Contraction	30/11/12	01/03/13	PMU	204 600.00
Construction of VIP Toilets	Cambre General Trading	30/11/12	01/03/13	PMU	297 000.00
Construction of VIP Toilets	Mandlakhe Groceries and Forestry	30/11/12	01/03/13	PMU	301 400.00
Construction of VIP Toilets	Magwenko Trading	30/11/12	01/03/13	PMU	325 000.00
Construction of VIP Toilets	Kotume Trading Enterprise	30/11/12	01/03/13	PMU	207 900.00
Construction of VIP Toilets	Mahlanti Trading	30/11/12	01/03/13	PMU	223 575.00
Construction of VIP Toilets	Siphokophele Mngomeni Cleaning and Projects	30/11/12	01/03/13	PMU	204 600.00
Construction of VIP Toilets	Nhlazatshe Plant Maintenance	30/11/12	01/03/13	PMU	227 700.00
Construction of VIP Toilets	Winile Thumbathi Trading	30/11/12	01/03/13	PMU	227 700.00
Construction of VIP Toilets	Vuyo Sindi Trading	30/11/12	01/03/13	PMU	320 000.00 (incl VAT)

Public Private Partnerships entered into 2012/13					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project Manager	Value 2012/13 (R)
Construction of VIP Toilets	Siyakha-Isizwe Trading Enterprise 11 cc	30/11/12	01/03/13	PMU	222 000.00
Construction of VIP Toilets	Pele A Pele Ka Thuto Trading	30/11/12	01/03/13	PMU	227 580.00
Construction of VIP Toilets	Lefiso Projects cc	30/11/12	01/03/13	PMU	254 988.30 (incl VAT)
Construction of VIP Toilets	Mvumeni Business Enterprise	30/11/12	01/03/13	PMU	349 650.00
Construction of VIP Toilets	Buhlesiyatentela Projects	30/11/12	01/03/13	PMU	418 000.00
Construction of VIP Toilets	Simon M Trading cc	30/11/12	01/03/13	PMU	223 086.66
Construction of VIP Toilets	Kwshalaza Trading Enterprise	30/11/12	01/03/13	PMU	249 000.00
Construction of VIP Toilets	Future and Sons Trading	30/11/12	01/03/13	PMU	303 600.00
Construction of VIP Toilets	Bakhona Transport and Project	30/11/12	01/03/13	PMU	225 027.00
Construction of VIP Toilets	Mesy Trading Enterprise cc	30/11/12	01/03/13	PMU	218 421.00
Construction of VIP Toilets	Bravoscan 332	30/11/12	01/03/13	PMU	280 701.60
Construction of VIP Toilets	Big VAT Trading (Pty) Ltd	30/11/12	01/03/13	PMU	225 720.00
Construction of VIP Toilets	Mabuza Mshengu Construction	30/11/12	01/03/13	PMU	224 994.00
Construction of VIP Toilets	Insakavukela Construction	30/11/12	01/03/13	PMU	379 665.00
Supply and Delivery of Guardhouse	Jusi Trading	30/11/12	29/01/13	Public Safety (Security)	398 000.00
Supply and Delivery of Water through Water Tankers	Sokza's Construction	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Teenage Glasswork and Trading	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	DuikerJabu Trading Enterprise	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Faragamo Trading	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Mumphrey's Coach Liner Transport	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Mvulane Civil Construction Trading	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Ngwenyama Construction	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	PE Shiba Construction	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	PS Nkosi Projects (Pty) Ltd	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Sheshelivutwe Trading	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Supply and Delivery of Water through Water Tankers	Spanza Trading Enterprise	30/11/12	29/11/13	Technical Services (Water)	42 000.00
Provision of Refuse Removal in Mpuluzi	Siphokophele Mngomeni Cleaning and Projects	01/12/12	30/11/13	Community Services	602 208.00
Installation of Break Roller Machine	Gabeshe Trading Enterprise	30/11/12	08/01/13	Public Safety (Licensing)	672 189.00
Professional Services for Operation and Maintenance Plan	Fortune Environment Consulting (Pty) Ltd	30/11/12	29/05/13	Technical Services	1 106 600.00
Supply and Delivery of Radio Phones	Instant Communication Solutions (Pty) Ltd	04/11/12	03/11/14	Public Safety, Technical Services, Community Services	42 750.00 once off 17 214.00 per month
Installation of Traffic Lights	Silver Solution 2259	04/11/12	13/12/12	Public Safety (Traffic)	539 307.50
Supply and Installation of Wireless Radio Links	Kukhanya Technologies	04/11/12	03/12/12	Corporate Services (ICT)	421 491.06
Installation of LCD Media Displayer	Reithutle Trading and Projects	14/12/12	13/01/13	Corporate Services	675 500.00
Supply and Delivery of Fault Detector Machine	Zalabantu Trading and Projects	14/12/12	08/01/13	Technical Services (Electricity)	827 925.00
Professional Services for Management of VIP Toilets for 2012/13	Bhutana Earth Scientist	04/12/12	03/03/13	PMU	663 400.00
Design and Production of a Newsletter	Embroidery Corporate Gift Production	04/11/12	03/11/13	Corporate Services	64 000.00 per quarter
GAP Analysis on the Municipality's IDP	Imvuselelo Analytical Consultancy	14/12/12	13/03/13	PED	198 508.77
Construction of Water Reticulation in Silobela Ext 2 and 3	Thulatshepo General Trading	30/04/13	29/07/13	PMU	1 935 202.44
Refurbishment of Electricity Distribution Network in Licensed Municipal Areas	Capotex Enterprise JV	26/03/13	25/04/13	PMU	236 005.08 total cost per unit
Upgrading of Nkoamti Raw Water Pipeline and 5ml Package Plant in Eerstehoeck Water Treatment	Sadec – PC	20/04/13	19/07/13	PMU	875 193.87
LED Fundraising Strategy	Makgoka Development Facilitation (Pty) Ltd	26/03/13	25/03/14	PED	10% commission
Installation of Fleet Management System	Vuka Asset Management	01/04/13	30/09/14	Technical Services (Fleet)	844 113.00

<b>Public Private Partnerships entered into 2012/13</b>					
<b>Name and Description of Project</b>	<b>Name of Partner(s)</b>	<b>Initiation Date</b>	<b>Expiry date</b>	<b>Project Manager</b>	<b>Value 2012/13 (R)</b>
Compilation of Financial Statements and Updating of the Asset Register	Altimax Training Academy	30/04/13	2014/15 FY	Finance	Link to outstanding debtors
Construction of Toilet Top Structure in Silobela Ext 2 and3	Mechciv Construction JV Lefiso Projects Cc	21/05/13	20/11/13	PMU	5 997192.30
Completion of Household Electrification Projects	Alpheus Electrical Building and Civil Construction	21/05/13	20/07/13	PMU	1 507 308.00
Professional Services for the Construction of Silobela Stadium	Monde Consulting Engineers	21/05/13	20/04/14	PMU	1 267 016.67